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According to the Attorney General, interrupting a public meeting in Michigan with hate speech or profanity could result in criminal charges under several State statutes relating to Fraudulent Access to a Computer or Network (MCL 752.797) and/or Malicious Use of Electronics Communication (MCL 750.540).

According to the US Attorney for Eastern Michigan, Federal charges may include disrupting a public meeting, computer intrusion, using a computer to commit a crime, hate crimes, fraud, or transmitting threatening communications.

Public meetings are being monitored and violations of statutes will be prosecuted.

## CITY COUNCIL

July 6, 2020

1. Call to Order - 7:00 P.M. – Virtual meeting from remote locations
2. Recitation - Pledge of Allegiance to the Flag of the United States of America
3. Roll Call
4. Public Hearing – Conduct a public hearing to close out a 2014 Rental Rehabilitation Grant for units at 414 and 418 Waukazoo Avenue
5. Consent Agenda – Adoption of a proposed resolution that would confirm approval of the following:
  - (a) June 15, 2020 regular session City Council meeting minutes
  - (b) Acknowledge receipt of a report concerning certain administrative transactions since June 15, 2020
6. Miscellaneous Public Comments
7. City Manager Updates
8. Appointments – Consideration of appointment to the Tax Increment Financing Authority Board



9. Old Business

- (a) Discussion concerning air easement appraisal for the Bay and Howard Street hotel development
- (b) Second reading and possible adoption of a proposed PILOT Ordinance for Lofts at Lumber Square
- (c) Discussion concerning Mayor and Councilmember term lengths
- (d) Hear update by the City Attorney concerning the Odawa lawsuit

10. City Council Comments

11. Adjournment





# City of Petoskey

## Agenda Memo

**BOARD:** City Council

**MEETING DATE:** July 6, 2020

**PREPARED:** June 29, 2020

**AGENDA SUBJECT:** Public Hearing to Close-out a Rental Rehabilitation Grant (MSC-2014-6474-HO)

**RECOMMENDATION:** That the City Council conduct a public hearing

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**Background** In 2014, the City of Petoskey was awarded Community Development Block Grant (CDBG) funding through the Michigan State Housing Development Authority (MSHDA) Rental Rehabilitation Program for the renovation of seven rental units at 414 and 418 Waukazoo Avenue. In January 2016, MSHDA CDBG staff were reallocated to the Michigan Economic Development Corporation (MEDC).

The unit renovations were completed and the grant monitoring review and site inspection completed on September 28, 2016 by MEDC staff (review letter enclosed).

**Action** In late May, 2020, staff was notified that to close out the grant with the Michigan Economic Development Corporation, a public hearing by City Council is required. A notice of the grant close-out public hearing was published in the Petoskey News Review on Tuesday, June 30, 2020.

Staff recommends that City Council hold a public hearing to close out the Rental Rehabilitation Grant (MSC-2014-6474-HO).

at  
Enclosure



MICHIGAN ECONOMIC  
DEVELOPMENT CORPORATION

October 17, 2016

Mr. Robert Straebel, City Manager  
City of Petoskey  
101 East Lake Street  
Petoskey, MI 49770

RE: Monitoring Review of Community Development Block Grant (CDBG) # MSC-2014-6474-HO

Dear Mr. Straebel:

This letter serves as a follow-up to the September 28, 2016 on-site monitoring review of the City of Petoskey's Community Development Block Grant (#MSC-2014-6474-HO). I met with Amy Tweeten and Lindsay Hager, the administrators of this grant.

The program areas reviewed included: Grant Management, Environmental Review, Fair Housing and Equal Opportunity, Affirmative Marketing and Outreach, Record Keeping, Financial Management, and CDBG National Objective.

Grant Management Performance. The amount of this grant award is \$205,000 with a grant term of March 1, 2015 through February 28, 2017. Funding was approved for the rehabilitation of 7 rental units in the City of Petoskey. Eligible tenants will be at or below 80% Area Median Income (AMI) for Emmet County.

Grant files are well organized and documentation exists to back up all rehabilitation and administrative activities.

Environmental Review. The Environmental Review Record (ERR) is maintained by the City and should contain all checklists, supporting documentation, correspondence, and forms documenting the environmental review process that was undertaken for this grant. All reviewed environmental documents are complete and accurate. The Notice of Intent to Request Release of Funds was published on June 25, 2015 and Authority to Use Grant Funds was dated as July 31, 2015.

Fair Housing and Equal Opportunity. The City appears to have implemented adequate fair housing and equal opportunity processes and procedures, to have ensured adequate accessibility, affirmative marketing, and applicant selection guidelines and to have utilized a structured non-discriminating contractor selection/participation process.

Financial Management. A review of the project files shows that adequate tracking of project receipts and expenditures has been performed and that amounts identified on OPAL accurately reflect the obligated dollars and actual project costs.

National Objective. Grantee will meet CDBG national objective requirements by implementing activities benefitting low/moderate income persons. Every assisted household will be verified for income eligibility at or below 80% AMI for Emmet County.

Project Site Inspection. Rental units in both properties were inspected for code compliance and are found to be in compliance with HUD's Housing Quality Standards. Property owner(s) are satisfied with the completed rehabilitation.

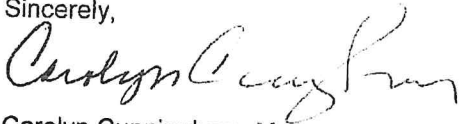
PURE MICHIGAN®



In summary, The City of Petoskey's 2014 CDBG Rental Rehabilitation Grant is well-documented; expenditure of federal funds is timely; and costs are reasonable and necessary. There are no findings or comments regarding the administration of this grant. The hospitality extended during this visit is greatly appreciated.

Should you have any questions, you may contact me at 517-420-5182 or [cunninghamc5@michigan.org](mailto:cunninghamc5@michigan.org).

Sincerely,

A handwritten signature in cursive script, appearing to read 'Carolyn Cunningham'.

Carolyn Cunningham, Manager  
CDBG Housing Portfolio  
Community Development Division

cc: Amy Tweeten  
Lindsay Hager





# City of Petoskey

## Agenda Memo

**BOARD:** City Council

**MEETING DATE:** July 6, 2020

**PREPARED:** July 2, 2020

**AGENDA SUBJECT:** Consent Agenda Resolution

**RECOMMENDATION:** That the City Council approve this proposed resolution

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The City Council will be asked to adopt a resolution that would approve the following consent agenda items:

- (1) Draft minutes of the June 15, 2020 regular session City Council meeting; and
- (2) Acknowledge receipt of a report from the City Manager concerning all checks that have been issued since June 15, 2020 for contract and vendor claims at \$793,179.67, intergovernmental claims at \$14,264.89, and the June 25 payroll at \$219,679.35 for a total of \$1,027,123.91.

sb  
Enclosures





## CITY COUNCIL

June 15, 2020

A regular meeting of the City of Petoskey City Council was held from virtual locations on Monday, June 15, 2020. 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  
Suzanne Shumway, City Councilmember  
Brian Wagner, City Councilmember  
Lindsey Walker, City Councilmember

Absent: None

Also in attendance were City Manager Rob Straebel, Clerk-Treasurer Alan Terry, Downtown Director Becky Goodman, City Attorney James Murray and Executive Assistant Sarah Bek.

### **Hear Proclamation Against Systemic Racism**

Mayor John Murphy read aloud the following proclamation:

**WHEREAS**, the City of Petoskey City Council is outraged and appalled by the recent murders of George Floyd, Ahmaud Arbery, Breonna Taylor, Tony McDade and countless other African Americans that have lost their lives to racial violence and police brutality; and

**WHEREAS**, the City of Petoskey grieves with the families and communities across this nation and calls for accountability of those who perpetuate violence; and

**WHEREAS**, historic, systemic and pervasive racism and lack of civil rights make people of color, particularly African Americans and our Indigenous communities in our country, fear for their families' health, safety and opportunities others enjoy; and

**WHEREAS**, racism unfairly disadvantages specific individuals and communities, while unfairly giving advantages to other individuals and communities, and saps the strength of the whole society through the waste of human resources; and

**WHEREAS**, racism causes persistent discrimination and disparate outcomes in many areas of life, including housing, education, employment and criminal justice; and

**WHEREAS**, no change will be realized until white citizens of this country stand beside those demanding justice:

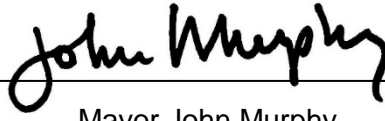
**NOW THEREFORE BE IT RESOLVED** that the City of Petoskey will assert that racism is a public health crisis affecting our entire country; and

**BE IT FURTHER RESOLVED** that the City of Petoskey will work to solidify alliances and partnerships with other organizations that are confronting racism and encourage other local, state, regional and national entities to recognize racism as a public health crisis; and



**BE IT FURTHER RESOLVED** that the City of Petoskey City Council encourages racial equity training among all City officials, community partners, grantees, vendors and contractors.

Dated this 15<sup>th</sup> day of June, 2020



Mayor John Murphy

**Consent Agenda - Resolution No. 19416**

Following introduction of the consent agenda for this meeting of June 15, 2020, City Councilmember Walker moved that, seconded by City Councilmember Wagner adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the June 1, 2020 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 June 1, 2020 for contract and vendor claims at \$457,587.62, intergovernmental claims at \$0, and the June 11 payroll at \$214,813.48, for a total of \$672,401.10 be and is hereby acknowledged, with the City Clerk providing information on voided checks to City Council.

Said resolution was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)

NAYS: None (0)

**Hear Public Comment**

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

**Hear City Manager Updates**

The City Manager reported that Kid's Camp began today and will be opened to a maximum of 30 campers and reviewed safeguards and guidelines for campers and staff; that the Emmet County Administrator contacted staff last week about requesting the City to partially fund the regional EMGO Bus Service and that a formal request for City Council review will be forthcoming; that the ferry service between Bay Harbor, Harbor Springs and Petoskey is slated to begin June 25 with tentative schedules that may change based on passenger demand; reviewed downtown initiatives approved by the DMB to help businesses during the pandemic and that the DMB would be discussing sidewalk sales at their meeting tomorrow night; that City Hall opened to the public today and staff encourages continued use of drop-box, face masks will be required for public entry and social distancing regulations will need to be followed; reviewed seiche impacts to the marina associated with a tropical storm which increased water levels on Little Traverse Bay by an estimated 14" last week; that there was a solar pre-bid meeting last Friday to discuss the City Hall solar project and eight vendors attended; that the promenade street trees replacement project is complete and 22 trees were replaced; and reviewed Kalamazoo Avenue reconstruction updates.

City Councilmembers inquired on the downtown curbside pickup status, if electrical lines will be underground as part of the Kalamazoo Avenue reconstruction project and inquired on a Go Fund Me campaign for the ferry service.

The Downtown Director clarified that curbside pickup parking spaces would end June 19 due to the number of cars waiting in spaces and double-parking.



The City Manager responded that electrical lines will be underground and was unaware of a fundraising campaign for the ferry service.

**Approve Board Appointments – Resolution 19417-19418**

Mayor Murphy reviewed that City Council consider the following appointments to the District Library Board and Greenwood Cemetery Board.

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

BE IT RESOLVED that the City Council does and hereby approves the appointment of Kimberly Block, 502 Grove Street, to the District Library Board to fill a vacated term ending January 2021.

Said resolution was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)

NAYS: None (0)

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

BE IT RESOLVED that the City Council does and hereby approves the appointment of Susanne Fantini, 109 Division Street, to the Greenwood Cemetery Board to fill a vacated term ending May 2022.

Said resolution was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)

NAYS: None (0)

**Approve Request from Bay and Howard Street Developers to Start an Act 381 Brownfield Work Plan – Resolution No. 19419**

The City Manager reviewed that the developers for the Bay and Howard Street hotel submitted a letter to City staff requesting that City Council again discuss the concept of utilizing a Brownfield to create a parking structure on the Saville Lot and for reimbursement of environmental and non-environmental eligible activities for the hotel development; reviewed initial estimates of \$1.6M in State funding, \$981,000 in City funding and \$972,000 in other local funding; that the developer paid \$7,000 for the no-build easement appraisal that should be completed in the next few weeks; that there is no commitment from the City as the Brownfield Plan is still in its conceptual stages; that the developer identified two options and reviewed details of each option; that MEDC representatives recommended option two whereby both the developer's and City's costs would be reimbursed contingent upon local and State approval; and that the developer requested that the Brownfield Plan concept be sent to the DMB for review at their next meeting.

City Councilmembers inquired on the appraisal status due to developer not paying appraiser in a timely manner; heard from those supportive of plan and option two; heard from those in favor of receiving the appraisal first before making a decision; inquired what the developer wanted first the easement or TIF approval; heard from those enthusiastic about project, but not all of the information has been provided; and heard from those that like the idea of covered parking with no internal ramp and that it is a good, healthy project for the City.

Barry Polzin, representative for developers, responded that the appraisal is underway and the developer held off payment due to confusion on purpose of appraisal; reviewed TIF Plan timeline; and that the developers were asking City Council what their interest in the project was and if not interested to say so now.



City Councilmember Wagner moved that, seconded by Mayor Murphy for the developer to commence work on an Act 381 Brownfield Work Plan with option two and direct the developer to present the Brownfield Plan concept to the Downtown Management Board at their next meeting.

Said motion was adopted by the following vote:

AYES: Shumway, Wagner, Walker, Murphy (4)

NAYS: Marshall (1)

**Discuss Charter Changes and Approve Establishing a Compensation Commission – Resolution No. 19420-19421**

The City Manager reviewed that City Council discussed changes to the City Charter on March 2 including term length for the Mayor is too short; that the Mayor and City Council's compensation is too low; that the City Attorney feels the term lengths would be considered an amendment which does not require the establishment of a Charter Commission; that compensation is an amendment but is subject to 5c of the Home Rule City Act and that typically cities create a Compensation Commission appointed by the Mayor and confirmed by a majority of City Councilmembers to determine salaries of elected officials; and that staff was asking for direction from Council whether to pursue the potential changes.

City Councilmembers inquired if changes would start for future years and not for current member terms; heard from those in favor of looking at compensation; that Councilmember terms should be considered and reviewed so 1<sup>st</sup> and 3<sup>rd</sup> Ward Councilmembers are not always on ballot in odd years and 2<sup>nd</sup> and 4<sup>th</sup> Ward Councilmembers on ballot in busier even years; and that one-year Mayoral terms have worked for many years in Petoskey.

Mayor Murphy asked for public comments and heard comments that Councilmembers in Ward 1 and 3 are always in off election years and should be staggered; that one-year Mayor term is not good; and that Mayor term should be two years and should not run every year.

City Councilmember Marshall moved that, seconded by City Councilmember Walker to have City Council establish a Compensation Commission.

Said motion was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)

NAYS: None (0)

City Councilmember Shumway moved that, seconded by City Councilmember Marshall to direct staff to explore possibilities of changing terms of office for the Mayor and Councilmembers.

Said motion was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)

NAYS: None (0)

**Approve Ward and City Convention Locations and Dates – Resolution No. 19422**

The Clerk-Treasurer reviewed that as required by City Charter provisions, Council was being asked to approve schedule and times and designate locations for conducting annual Ward and City Conventions; that ward and city conventions are part of an election process and as such, an essential government activity and not required to comply with current executive order of no more than 50 people congregating in an interior space; that all participants will be required to wear face masks and abide by social distancing requirements; and that the City will have masks available at each convention location.

In order to comply with the State's filing deadlines for candidates, the Clerk-Treasurer recommended that the four Ward Conventions be scheduled simultaneously for 8:00 P.M., Monday, July 13, and that the City Convention be called for 8:00 P.M., Wednesday, July 15.



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

WHEREAS, in accordance with provisions of the City Charter, the City Council must establish dates and places for annual Ward Conventions and the annual City Convention:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby calls the annual 2020 Ward Conventions to be held at 8:00 P.M., Monday, July 13, at the Petoskey Middle School Cafeteria for the First Ward, Ottawa Elementary Cafeteria for the Second Ward, Lincoln Elementary Cafeteria for the Third Ward, and Sheridan Elementary Cafeteria for the Fourth Ward; and

BE IT FURTHER RESOLVED that the City Council does and hereby calls the annual 2020 City Convention to be conducted at 8:00 P.M., Wednesday, July 15, at the Emmet County Fairgrounds Community Center.

Said resolution was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)

NAYS: None (0)

**First Reading of a Proposed PILOT Ordinance for Lofts at Lumber Square**

The City Manager reviewed that at the May 18 meeting, Councilmembers directed staff to develop a Payment in Lieu of Taxes (PILOT) ordinance for the proposed Lofts at Lumber Square; that the ordinance has been reviewed by the City Attorney and is acceptable to project representatives; that the ordinance provides for a service charge in lieu of ad valorem taxes for a housing project for low to moderate income persons and families; that the annual service charge is proposed at 10% of annual shelter rates; that the ordinance allows the developer to pursue Low Income Housing Tax Credits through the Michigan State Housing Development Authority and USDA Rural Development Section 515 funding; that the developer will be obligated to continue to pay ad valorem taxes on the property until the project is completed and all necessary requirements have been completed; that the developer is required to start construction on the project within 24 months of the effective date of the ordinance; and that the Planning Commission discussed the conceptual plan on May 21 and will be further discussed on June 18.

Ben Ide, Haan Development, reviewed that the site plan approval may take a while and that the PILOT ordinance is needed for submission for funding.

City Councilmembers inquired if there was another Planning Commission meeting prior to the next Council meeting. The City Manager responded that Planning Commission will discuss on June 18.

Mayor Murphy asked for public comments and heard that Planning Commission should weigh in on matter as part of due diligence process and heard from those in favor of the project and thanked Council for consideration.

City Council will conduct a second reading at their next regular meeting.



**Discuss Park Land Designation & Recommend to Parks & Recreation Commission – Resolution No. 19423**

The City Manager reviewed that Councilmember Marshall initiated this agenda item regarding potentially establishing Emmet Street right-of-way property between Mitchell Street and US-31 as official park lands; that the process to designate park lands is through a resolution; that in 1981 the City designated 12 areas in the City as park lands; reviewed City Charter Section 1.4 Power Regarding Property; reviewed that property ownership adjacent to this area includes MDOT highway right-of-way and private property owned by Bob Berg, owner of 200 East Lake Street; that the property has been used several times for protesting purposes; that diverting to another public use, any park land would require approval of the majority of voters; that establishing this area as park lands could create limitations on the future use of this land that could inhibit economic development and give little flexibility in how this downtown gateway property can be utilized; that it would require a vote of the people to utilize City park land if a highway redesign project would need to be implemented; and that the public land seems to be working well for a protest area right now and the City cannot deny public usage of this right-of-way.

City Councilmember Marshall discussed her reason for wanting to declare the property as parkland and this would allow a place for protesters.

City Councilmembers commented that there have been several citizens in favor and excited about possible designation; heard from those opposed to concept and that it could restrict future development; and heard a recommendation to send matter to the Parks and Recreation Commission for review and give the public time to weigh in.

The City Attorney reviewed that he was not here in 1981 and that parkland designation only takes passage of a resolution.

Mayor Murphy asked for public comments and heard a comment on past developers proposals of property; that property has been used for peaceful protests over the years and could be known as People's Park; heard from those strongly encouraging Council to designate; and that there are a lot of younger people involved and by designating park land will keep this trend going.

City Councilmember Marshall moved that, seconded by City Councilmember Walker to direct staff to send Emmet Street right-of-way designation as dedicated parkland to the Parks and Recreation Commission for their review and recommendation.

Said motion was adopted by the following vote:

AYES: Marshall, Shumway, Walker, Murphy (4)

NAYS: Wagner (1)

**Council Comments**

Mayor Murphy asked for Council comments and Councilmember Walker inquired if there would be an update soon on the Odawa lawsuit and the Medical Marihuana applications. The City Clerk gave an update on the medical marihuana application process. Mayor Murphy commented that there is a vacancy on the Board of Review and is seeking citizens to volunteer to serve on the board, and asked if a Councilmember was interested in serving on the SANE Board.

There being no further business to come before the City Council, this June 15, 2020, meeting of the City Council adjourned at 9:20 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer



GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
06/20	06/16/2020	89295	CITY OF PETOSKEY	271-790-752.000	25.00
06/20	06/17/2020	89319	24/7 Sewer & Drain Cleaning	101-770-802.000	255.00
06/20	06/17/2020	89319	24/7 Sewer & Drain Cleaning	592-556-802.000	285.00
06/20	06/17/2020	89320	5H Irrigation & Maintenance	101-773-802.000	1,487.50
06/20	06/17/2020	89321	Alliance Entertainment	271-790-761.000	69.24
06/20	06/17/2020	89321	Alliance Entertainment	271-790-761.100	58.50
06/20	06/17/2020	89322	ALTEC INDUSTRIES INC.	661-598-932.000	489.26
06/20	06/17/2020	89323	American Waste	582-586-775.000	377.50
06/20	06/17/2020	89323	American Waste	582-593-775.000	126.00
06/20	06/17/2020	89323	American Waste	592-551-806.000	325.00
06/20	06/17/2020	89323	American Waste	101-770-802.000	167.20
06/20	06/17/2020	89323	American Waste	101-756-802.000	68.40
06/20	06/17/2020	89323	American Waste	101-789-802.000	76.00
06/20	06/17/2020	89323	American Waste	101-754-802.000	174.80
06/20	06/17/2020	89323	American Waste	101-268-802.000	106.40
06/20	06/17/2020	89323	American Waste	101-265-802.000	167.20
06/20	06/17/2020	89323	American Waste	101-773-931.000	134.25
06/20	06/17/2020	89323	American Waste	101-265-802.000	134.25
06/20	06/17/2020	89323	American Waste	101-770-802.000	134.25
06/20	06/17/2020	89323	American Waste	101-754-802.000	134.25
06/20	06/17/2020	89324	AT & T MOBILITY	514-587-920.000	450.39
06/20	06/17/2020	89325	AT&T	592-558-920.000	241.70
06/20	06/17/2020	89325	AT&T	592-560-850.000	505.87
06/20	06/17/2020	89326	AT&T Long Distance	101-345-850.000	15.35
06/20	06/17/2020	89327	Ballard's Plumbing & Heating	101-770-775.000	20.32
06/20	06/17/2020	89328	Benchmark Engineering Inc.	592-560-802.000	282.50
06/20	06/17/2020	89328	Benchmark Engineering Inc.	202-451-802.000	1,293.00
06/20	06/17/2020	89328	Benchmark Engineering Inc.	204-444-802.000	135.00
06/20	06/17/2020	89328	Benchmark Engineering Inc.	592-020-342.000	673.00
06/20	06/17/2020	89328	Benchmark Engineering Inc.	592-025-343.000	458.00
06/20	06/17/2020	89328	Benchmark Engineering Inc.	582-020-360.000	135.00
06/20	06/17/2020	89329	Carter's Imagewear & Awards	101-773-767.000	187.60
06/20	06/17/2020	89329	Carter's Imagewear & Awards	101-345-775.000	71.00
06/20	06/17/2020	89329	Carter's Imagewear & Awards	101-756-767.000	71.00
06/20	06/17/2020	89329	Carter's Imagewear & Awards	101-756-808.010	312.90
06/20	06/17/2020	89330	Charlevoix-Emmet ISD	703-040-250.000	1,502.89
06/20	06/17/2020	89331	Civic Systems LLC	101-201-912.000	500.00
06/20	06/17/2020	89331	Civic Systems LLC	101-208-912.000	500.00
06/20	06/17/2020	89331	Civic Systems LLC	101-215-912.000	1,250.00
06/20	06/17/2020	89332	Consumers Energy	592-558-920.000	40.31
06/20	06/17/2020	89332	Consumers Energy	592-558-920.000	56.76
06/20	06/17/2020	89332	Consumers Energy	592-558-920.000	380.69
06/20	06/17/2020	89332	Consumers Energy	592-558-920.000	376.62
06/20	06/17/2020	89332	Consumers Energy	592-538-920.000	7,869.39
06/20	06/17/2020	89333	Cummins Bridgeway LLC	592-556-802.000	507.13
06/20	06/17/2020	89333	Cummins Bridgeway LLC	592-537-802.000	620.57
06/20	06/17/2020	89333	Cummins Bridgeway LLC	592-537-802.000	510.26
06/20	06/17/2020	89333	Cummins Bridgeway LLC	592-554-802.000	777.95
06/20	06/17/2020	89333	Cummins Bridgeway LLC	592-556-802.000	518.88
06/20	06/17/2020	89333	Cummins Bridgeway LLC	592-558-802.000	297.48
06/20	06/17/2020	89333	Cummins Bridgeway LLC	592-537-802.000	208.22
06/20	06/17/2020	89334	CynergyComm.net Inc.	271-790-850.000	263.27
06/20	06/17/2020	89335	Decka Digital LLC	592-553-802.000	150.78
06/20	06/17/2020	89336	DENNIS GARTLAND & NIERGARTH	101-215-801.000	256.43
06/20	06/17/2020	89336	DENNIS GARTLAND & NIERGARTH	204-481-801.000	24.29
06/20	06/17/2020	89336	DENNIS GARTLAND & NIERGARTH	204-481-801.000	10.34



GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
06/20	06/17/2020	89336	DENNIS GARTLAND & NIERGARTH	204-481-801.000	46.97
06/20	06/17/2020	89336	DENNIS GARTLAND & NIERGARTH	271-790-801.000	43.46
06/20	06/17/2020	89336	DENNIS GARTLAND & NIERGARTH	211-441-802.000	48.73
06/20	06/17/2020	89336	DENNIS GARTLAND & NIERGARTH	514-587-801.000	23.77
06/20	06/17/2020	89336	DENNIS GARTLAND & NIERGARTH	582-598-802.000	348.94
06/20	06/17/2020	89336	DENNIS GARTLAND & NIERGARTH	592-549-802.000	73.85
06/20	06/17/2020	89336	DENNIS GARTLAND & NIERGARTH	592-560-802.000	93.60
06/20	06/17/2020	89336	DENNIS GARTLAND & NIERGARTH	661-598-801.000	29.62
06/20	06/17/2020	89337	Derrer Oil Co.	661-598-759.000	1,520.49
06/20	06/17/2020	89338	Drost Landscape	101-770-775.000	340.00
06/20	06/17/2020	89339	Dunn's Business Solutions	101-172-751.000	9.84
06/20	06/17/2020	89339	Dunn's Business Solutions	101-201-751.000	9.84
06/20	06/17/2020	89339	Dunn's Business Solutions	101-208-751.000	6.89
06/20	06/17/2020	89339	Dunn's Business Solutions	101-257-751.000	4.92
06/20	06/17/2020	89339	Dunn's Business Solutions	101-215-751.000	5.90
06/20	06/17/2020	89339	Dunn's Business Solutions	101-345-751.000	27.54
06/20	06/17/2020	89339	Dunn's Business Solutions	101-400-751.000	4.92
06/20	06/17/2020	89339	Dunn's Business Solutions	101-441-751.000	14.76
06/20	06/17/2020	89339	Dunn's Business Solutions	101-770-751.000	.98
06/20	06/17/2020	89339	Dunn's Business Solutions	101-773-775.000	.98
06/20	06/17/2020	89339	Dunn's Business Solutions	101-756-751.000	9.84
06/20	06/17/2020	89339	Dunn's Business Solutions	101-789-751.000	1.96
06/20	06/17/2020	89340	EJ USA Inc.	592-010-111.000	309.70
06/20	06/17/2020	89341	Elmer's Crane & Dozer Inc.	101-770-775.000	380.56
06/20	06/17/2020	89342	Emergency Medical Products	101-345-775.000	223.25
06/20	06/17/2020	89343	Emmet County Treasurer	703-040-250.000	1,940.27
06/20	06/17/2020	89343	Emmet County Treasurer	703-040-250.000	198.71
06/20	06/17/2020	89343	Emmet County Treasurer	703-040-250.000	280.04
06/20	06/17/2020	89343	Emmet County Treasurer	703-040-250.000	123.18
06/20	06/17/2020	89344	Englebrecht, Robert	101-257-802.100	3,750.00
06/20	06/17/2020	89345	Five Star Screen Printing Plus	101-770-767.000	1,138.66
06/20	06/17/2020	89346	Gibby's Garage	582-593-930.000	170.00
06/20	06/17/2020	89346	Gibby's Garage	661-598-931.000	238.00
06/20	06/17/2020	89346	Gibby's Garage	661-598-932.000	272.00
06/20	06/17/2020	89346	Gibby's Garage	101-770-802.000	102.00
06/20	06/17/2020	89346	Gibby's Garage	661-598-931.000	102.00
06/20	06/17/2020	89346	Gibby's Garage	661-598-932.000	748.00
06/20	06/17/2020	89346	Gibby's Garage	582-593-930.000	34.00
06/20	06/17/2020	89346	Gibby's Garage	661-598-931.000	578.00
06/20	06/17/2020	89346	Gibby's Garage	661-598-932.000	340.00
06/20	06/17/2020	89346	Gibby's Garage	101-770-802.000	68.00
06/20	06/17/2020	89346	Gibby's Garage	582-593-930.000	374.00
06/20	06/17/2020	89346	Gibby's Garage	661-598-931.000	136.00
06/20	06/17/2020	89346	Gibby's Garage	661-598-932.000	408.00
06/20	06/17/2020	89346	Gibby's Garage	101-789-802.000	136.00
06/20	06/17/2020	89346	Gibby's Garage	661-598-931.000	102.00
06/20	06/17/2020	89347	Gourdie-Fraser Inc.	204-444-802.000	530.00
06/20	06/17/2020	89347	Gourdie-Fraser Inc.	592-020-342.000	2,648.00
06/20	06/17/2020	89347	Gourdie-Fraser Inc.	592-025-343.000	1,800.00
06/20	06/17/2020	89347	Gourdie-Fraser Inc.	582-020-360.000	530.00
06/20	06/17/2020	89347	Gourdie-Fraser Inc.	202-451-802.000	5,084.50
06/20	06/17/2020	89348	Greenwood Cemetery	703-040-250.000	248.03
06/20	06/17/2020	89349	GRP Engineering Inc.	582-598-802.000	510.00
06/20	06/17/2020	89349	GRP Engineering Inc.	101-789-802.000	160.00
06/20	06/17/2020	89349	GRP Engineering Inc.	582-598-802.000	4,304.10
06/20	06/17/2020	89349	GRP Engineering Inc.	582-598-802.000	1,137.50



GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
06/20	06/17/2020	89350	Gruler's Farm Supply Inc.	101-770-775.000	14.98
06/20	06/17/2020	89351	IR Electric Motor Service	592-554-802.000	349.50
06/20	06/17/2020	89352	John E. Green Co.	101-265-802.000	260.00
06/20	06/17/2020	89352	John E. Green Co.	101-268-802.000	520.00
06/20	06/17/2020	89353	Kendall Electric Inc.	592-537-775.000	89.10
06/20	06/17/2020	89353	Kendall Electric Inc.	592-537-775.000	178.20
06/20	06/17/2020	89354	KSS Enterprises	101-770-775.000	65.52
06/20	06/17/2020	89354	KSS Enterprises	101-268-775.000	110.00
06/20	06/17/2020	89355	LAKE AREA COLLISION INC.	661-020-142.000	5,129.84
06/20	06/17/2020	89356	LexisNexis Risk Data Management Inc.	514-587-802.000	150.00
06/20	06/17/2020	89357	Lowery Underground Service	582-020-360.000	1,640.00
06/20	06/17/2020	89357	Lowery Underground Service	582-598-802.000	1,000.00
06/20	06/17/2020	89357	Lowery Underground Service	582-586-802.000	1,540.00
06/20	06/17/2020	89357	Lowery Underground Service	582-020-360.000	18,721.75
06/20	06/17/2020	89357	Lowery Underground Service	582-598-802.000	11,960.75
06/20	06/17/2020	89358	Michigan Rural Water Assoc.	592-560-915.000	735.00
06/20	06/17/2020	89359	North Central Mich. College	703-040-250.000	436.84
06/20	06/17/2020	89359	North Central Mich. College	703-040-250.000	392.39
06/20	06/17/2020	89360	Northern A-1 Environmental Services	592-556-802.000	13,149.00
06/20	06/17/2020	89360	Northern A-1 Environmental Services	592-558-802.000	6,634.56
06/20	06/17/2020	89360	Northern A-1 Environmental Services	592-555-802.000	2,777.44
06/20	06/17/2020	89360	Northern A-1 Environmental Services	202-469-802.000	676.00
06/20	06/17/2020	89360	Northern A-1 Environmental Services	203-469-802.000	676.00
06/20	06/17/2020	89361	Northland Library Cooperative	271-790-802.000	3,315.81
06/20	06/17/2020	89361	Northland Library Cooperative	271-790-752.000	53.30
06/20	06/17/2020	89362	Oudbier Instrument Co.	592-537-802.000	495.80
06/20	06/17/2020	89362	Oudbier Instrument Co.	592-554-802.000	1,073.80
06/20	06/17/2020	89362	Oudbier Instrument Co.	592-558-802.000	247.80
06/20	06/17/2020	89362	Oudbier Instrument Co.	592-555-802.000	82.60
06/20	06/17/2020	89362	Oudbier Instrument Co.	592-537-802.000	150.00
06/20	06/17/2020	89363	Overdrive Inc.	271-790-762.000	48.59
06/20	06/17/2020	89363	Overdrive Inc.	271-790-762.000	1,000.00
06/20	06/17/2020	89364	Peerless Midwest Inc.	592-537-802.000	1,995.00
06/20	06/17/2020	89365	Personal Graphics Inc.	514-587-767.000	135.92
06/20	06/17/2020	89366	PETOSKEY NEWS REVIEW	514-587-802.100	56.00
06/20	06/17/2020	89367	Petoskey Public Schools	703-040-250.000	372.05
06/20	06/17/2020	89367	Petoskey Public Schools	703-040-250.000	594.72
06/20	06/17/2020	89367	Petoskey Public Schools	703-040-250.000	268.04
06/20	06/17/2020	89368	Pontius Flower Shop, A.R.	248-739-774.000	77.00
06/20	06/17/2020	89368	Pontius Flower Shop, A.R.	248-739-774.000	94.00
06/20	06/17/2020	89369	Pro Image Design	592-553-775.000	120.00
06/20	06/17/2020	89370	Pumco Interiors	271-790-930.000	8,497.76
06/20	06/17/2020	89371	Quadient Finance USA Inc.	101-172-751.000	54.00
06/20	06/17/2020	89371	Quadient Finance USA Inc.	101-201-751.000	54.00
06/20	06/17/2020	89371	Quadient Finance USA Inc.	101-208-751.000	37.80
06/20	06/17/2020	89371	Quadient Finance USA Inc.	101-257-751.000	27.00
06/20	06/17/2020	89371	Quadient Finance USA Inc.	101-215-751.000	32.40
06/20	06/17/2020	89371	Quadient Finance USA Inc.	101-345-751.000	151.20
06/20	06/17/2020	89371	Quadient Finance USA Inc.	101-400-751.000	27.00
06/20	06/17/2020	89371	Quadient Finance USA Inc.	101-441-751.000	81.00
06/20	06/17/2020	89371	Quadient Finance USA Inc.	101-770-751.000	5.40
06/20	06/17/2020	89371	Quadient Finance USA Inc.	101-773-775.000	5.40
06/20	06/17/2020	89371	Quadient Finance USA Inc.	101-756-751.000	54.00
06/20	06/17/2020	89371	Quadient Finance USA Inc.	101-789-751.000	10.80
06/20	06/17/2020	89372	Quality First Aid & Safety Inc.	592-549-775.000	116.93
06/20	06/17/2020	89373	Renkes, Tom	248-739-880.200	150.00



GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
06/20	06/17/2020	89374	Root Mechanical LLC	592-558-802.000	5,400.00
06/20	06/17/2020	89374	Root Mechanical LLC	592-555-802.000	3,600.00
06/20	06/17/2020	89374	Root Mechanical LLC	592-558-802.000	5,005.00
06/20	06/17/2020	89375	RS TECHNICAL SERVICES INC.	592-551-775.000	619.52
06/20	06/17/2020	89376	Spectrum Business	582-593-850.000	37.04
06/20	06/17/2020	89376	Spectrum Business	592-560-850.000	37.04
06/20	06/17/2020	89377	Staples Advantage	101-172-751.000	7.71
06/20	06/17/2020	89377	Staples Advantage	101-201-751.000	7.71
06/20	06/17/2020	89377	Staples Advantage	101-208-751.000	5.39
06/20	06/17/2020	89377	Staples Advantage	101-257-751.000	3.85
06/20	06/17/2020	89377	Staples Advantage	101-215-751.000	4.62
06/20	06/17/2020	89377	Staples Advantage	101-345-751.000	21.58
06/20	06/17/2020	89377	Staples Advantage	101-400-751.000	3.85
06/20	06/17/2020	89377	Staples Advantage	101-441-751.000	11.56
06/20	06/17/2020	89377	Staples Advantage	101-770-751.000	.77
06/20	06/17/2020	89377	Staples Advantage	101-773-775.000	.77
06/20	06/17/2020	89377	Staples Advantage	101-756-751.000	7.71
06/20	06/17/2020	89377	Staples Advantage	101-789-751.000	1.55
06/20	06/17/2020	89377	Staples Advantage	101-201-751.000	26.29
06/20	06/17/2020	89378	Stuart C Irby Co	582-586-775.000	1,628.00
06/20	06/17/2020	89379	T2 Systems Canada Inc.	514-587-802.000	165.00
06/20	06/17/2020	89380	Thompson, William S.	514-587-802.100	778.47
06/20	06/17/2020	89381	Trace Analytical Laboratories LLC	592-553-801.000	81.40
06/20	06/17/2020	89382	Tri County Excavating	582-020-360.000	1,927.50
06/20	06/17/2020	89382	Tri County Excavating	202-451-802.000	72,348.43
06/20	06/17/2020	89382	Tri County Excavating	592-020-342.000	71,212.14
06/20	06/17/2020	89382	Tri County Excavating	592-025-343.000	66,738.53
06/20	06/17/2020	89382	Tri County Excavating	204-444-802.000	3,118.50
06/20	06/17/2020	89382	Tri County Excavating	582-020-360.000	3,118.50
06/20	06/17/2020	89383	Truck & Trailer Specialties	661-010-111.000	137.50
06/20	06/17/2020	89384	Urban Accessories	101-770-802.100	3,663.50
06/20	06/17/2020	89385	US Chess Federation	271-790-760.400	37.00
06/20	06/17/2020	89386	Verizon Wireless	101-345-850.000	80.31
06/20	06/17/2020	89386	Verizon Wireless	592-538-850.000	80.02
06/20	06/17/2020	89386	Verizon Wireless	592-538-920.000	280.07
06/20	06/17/2020	89386	Verizon Wireless	101-345-850.000	53.77
06/20	06/17/2020	89386	Verizon Wireless	592-549-850.000	1.02
06/20	06/17/2020	89386	Verizon Wireless	582-588-850.000	6.33
06/20	06/17/2020	89386	Verizon Wireless	101-345-850.000	36.01
06/20	06/17/2020	89386	Verizon Wireless	101-770-850.000	36.01
06/20	06/17/2020	89386	Verizon Wireless	101-773-850.000	56.93
06/20	06/17/2020	89386	Verizon Wireless	101-789-850.000	55.26
06/20	06/17/2020	89386	Verizon Wireless	101-770-850.000	72.02
06/20	06/17/2020	89386	Verizon Wireless	101-345-850.000	72.02
06/20	06/17/2020	89387	W.W. Fairbairn & Sons	101-773-775.000	720.07
06/20	06/17/2020	89388	Walters Sharpening Service Inc.	101-770-802.000	58.50
06/20	06/17/2020	89388	Walters Sharpening Service Inc.	661-598-931.000	84.00
06/20	06/17/2020	89389	WATER ENVIRONMENT FEDERATION	592-560-915.000	217.00
06/20	06/17/2020	89389	WATER ENVIRONMENT FEDERATION	592-560-915.000	217.00
06/20	06/17/2020	89390	Windemuller	592-544-802.000	344.00
06/20	06/24/2020	89420	24/7 Sewer & Drain Cleaning	592-556-802.000	285.00
06/20	06/24/2020	89420	24/7 Sewer & Drain Cleaning	592-556-802.000	205.00
06/20	06/24/2020	89421	5H Irrigation & Maintenance	592-537-802.000	75.00
06/20	06/24/2020	89421	5H Irrigation & Maintenance	203-467-802.000	60.00
06/20	06/24/2020	89421	5H Irrigation & Maintenance	592-537-802.000	132.04
06/20	06/24/2020	89421	5H Irrigation & Maintenance	202-467-802.000	65.00



GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
06/20	06/24/2020	89422	Aflac	701-000-230.180	728.62
06/20	06/24/2020	89423	Airgas USA LLC	661-598-785.000	27.33
06/20	06/24/2020	89423	Airgas USA LLC	661-598-785.000	58.45
06/20	06/24/2020	89424	American Waste	582-593-930.000	170.00
06/20	06/24/2020	89425	Amerigas	661-598-931.000	28.56
06/20	06/24/2020	89425	Amerigas	592-544-775.000	25.51
06/20	06/24/2020	89426	AT&T	592-538-920.000	250.62
06/20	06/24/2020	89427	Ballard's Plumbing & Heating	101-770-934.000	442.38
06/20	06/24/2020	89428	Beckett & Raeder Inc.	101-770-802.000	2,100.00
06/20	06/24/2020	89428	Beckett & Raeder Inc.	101-770-802.000	2,100.00- V
06/20	06/24/2020	89429	Beckett & Raeder Inc.	101-770-802.000	435.00
06/20	06/24/2020	89429	Beckett & Raeder Inc.	247-751-802.000	300.00
06/20	06/24/2020	89429	Beckett & Raeder Inc.	101-770-802.000	240.00
06/20	06/24/2020	89429	Beckett & Raeder Inc.	247-751-802.000	420.00
06/20	06/24/2020	89429	Beckett & Raeder Inc.	101-770-802.000	435.00- V
06/20	06/24/2020	89429	Beckett & Raeder Inc.	247-751-802.000	300.00- V
06/20	06/24/2020	89429	Beckett & Raeder Inc.	101-770-802.000	240.00- V
06/20	06/24/2020	89429	Beckett & Raeder Inc.	247-751-802.000	420.00- V
06/20	06/24/2020	89430	Blarney Castle Oil Co.	101-789-772.000	2,217.13
06/20	06/24/2020	89430	Blarney Castle Oil Co.	101-789-772.000	4,249.28
06/20	06/24/2020	89431	Blue Care Network	101-172-724.000	364.12
06/20	06/24/2020	89431	Blue Care Network	101-201-724.000	3,422.78
06/20	06/24/2020	89431	Blue Care Network	101-215-724.000	364.12
06/20	06/24/2020	89431	Blue Care Network	101-265-724.000	502.49
06/20	06/24/2020	89431	Blue Care Network	101-268-724.000	1,081.45
06/20	06/24/2020	89431	Blue Care Network	101-345-724.000	10,341.18
06/20	06/24/2020	89431	Blue Care Network	101-400-724.000	582.60
06/20	06/24/2020	89431	Blue Care Network	101-441-724.000	1,529.33
06/20	06/24/2020	89431	Blue Care Network	101-754-724.000	491.57
06/20	06/24/2020	89431	Blue Care Network	101-756-724.000	1,347.26
06/20	06/24/2020	89431	Blue Care Network	101-770-724.000	2,366.81
06/20	06/24/2020	89431	Blue Care Network	101-773-724.000	371.41
06/20	06/24/2020	89431	Blue Care Network	271-790-724.000	4,151.02
06/20	06/24/2020	89431	Blue Care Network	514-587-724.000	364.12
06/20	06/24/2020	89431	Blue Care Network	582-588-724.000	4,515.16
06/20	06/24/2020	89431	Blue Care Network	592-549-724.000	1,092.38
06/20	06/24/2020	89431	Blue Care Network	592-560-724.000	1,092.38
06/20	06/24/2020	89431	Blue Care Network	101-789-724.000	757.38
06/20	06/24/2020	89432	BLUE CROSS\BLUE SHIELD - MICH.	101-172-724.000	943.69
06/20	06/24/2020	89432	BLUE CROSS\BLUE SHIELD - MICH.	101-208-724.000	764.75
06/20	06/24/2020	89432	BLUE CROSS\BLUE SHIELD - MICH.	101-345-702.000	7,655.49
06/20	06/24/2020	89432	BLUE CROSS\BLUE SHIELD - MICH.	101-441-724.000	1,572.82
06/20	06/24/2020	89432	BLUE CROSS\BLUE SHIELD - MICH.	204-481-724.000	2,909.72
06/20	06/24/2020	89432	BLUE CROSS\BLUE SHIELD - MICH.	271-790-724.000	393.21
06/20	06/24/2020	89432	BLUE CROSS\BLUE SHIELD - MICH.	514-587-724.000	786.42
06/20	06/24/2020	89432	BLUE CROSS\BLUE SHIELD - MICH.	592-549-724.000	3,517.18
06/20	06/24/2020	89432	BLUE CROSS\BLUE SHIELD - MICH.	592-560-724.000	393.21
06/20	06/24/2020	89433	Carter's Imagewear & Awards	101-773-775.000	373.53
06/20	06/24/2020	89433	Carter's Imagewear & Awards	101-773-775.000	54.00
06/20	06/24/2020	89433	Carter's Imagewear & Awards	101-789-767.000	210.00
06/20	06/24/2020	89433	Carter's Imagewear & Awards	101-789-775.000	166.16
06/20	06/24/2020	89434	CCP Industries Inc.	204-481-767.000	109.80
06/20	06/24/2020	89434	CCP Industries Inc.	101-528-775.000	109.80
06/20	06/24/2020	89435	Cintas Corp #729	582-593-930.000	33.72
06/20	06/24/2020	89435	Cintas Corp #729	204-481-767.000	60.04
06/20	06/24/2020	89435	Cintas Corp #729	582-588-767.000	60.25



GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
06/20	06/24/2020	89435	Cintas Corp #729	592-560-767.000	30.89
06/20	06/24/2020	89435	Cintas Corp #729	592-549-767.000	30.89
06/20	06/24/2020	89435	Cintas Corp #729	592-544-802.000	45.45
06/20	06/24/2020	89435	Cintas Corp #729	582-593-930.000	9.07
06/20	06/24/2020	89435	Cintas Corp #729	204-481-767.000	60.04
06/20	06/24/2020	89435	Cintas Corp #729	582-588-767.000	60.25
06/20	06/24/2020	89435	Cintas Corp #729	592-560-767.000	30.89
06/20	06/24/2020	89435	Cintas Corp #729	592-549-767.000	30.89
06/20	06/24/2020	89436	Consumers Energy	592-558-920.000	154.91
06/20	06/24/2020	89436	Consumers Energy	592-558-920.000	115.08
06/20	06/24/2020	89436	Consumers Energy	592-558-920.000	88.84
06/20	06/24/2020	89436	Consumers Energy	592-558-920.000	124.04
06/20	06/24/2020	89436	Consumers Energy	592-558-920.000	37.59
06/20	06/24/2020	89436	Consumers Energy	202-475-920.000	90.75
06/20	06/24/2020	89437	Crenshaw, Maryann	101-773-775.000	106.82
06/20	06/24/2020	89438	Cummins Bridgeway LLC	661-598-931.000	278.10
06/20	06/24/2020	89438	Cummins Bridgeway LLC	661-598-931.000	278.10
06/20	06/24/2020	89438	Cummins Bridgeway LLC	661-598-931.000	188.68
06/20	06/24/2020	89438	Cummins Bridgeway LLC	661-598-931.000	188.68
06/20	06/24/2020	89438	Cummins Bridgeway LLC	101-345-802.100	399.38
06/20	06/24/2020	89439	Curry Fluid Power	661-598-932.000	503.52
06/20	06/24/2020	89440	David L Hoffman Landscaping & Nursery	101-770-802.100	6,143.08
06/20	06/24/2020	89441	Dearborn Life Insurance Co	701-000-230.190	2,003.96
06/20	06/24/2020	89441	Dearborn Life Insurance Co	101-172-724.000	19.16
06/20	06/24/2020	89441	Dearborn Life Insurance Co	101-201-724.000	44.89
06/20	06/24/2020	89441	Dearborn Life Insurance Co	101-208-724.000	19.16
06/20	06/24/2020	89441	Dearborn Life Insurance Co	101-215-724.000	21.35
06/20	06/24/2020	89441	Dearborn Life Insurance Co	101-265-724.000	4.79
06/20	06/24/2020	89441	Dearborn Life Insurance Co	101-268-724.000	11.98
06/20	06/24/2020	89441	Dearborn Life Insurance Co	101-345-724.000	523.32
06/20	06/24/2020	89441	Dearborn Life Insurance Co	101-400-724.000	11.50
06/20	06/24/2020	89441	Dearborn Life Insurance Co	101-441-724.000	32.57
06/20	06/24/2020	89441	Dearborn Life Insurance Co	101-754-724.000	5.27
06/20	06/24/2020	89441	Dearborn Life Insurance Co	101-756-724.000	16.29
06/20	06/24/2020	89441	Dearborn Life Insurance Co	101-770-724.000	35.45
06/20	06/24/2020	89441	Dearborn Life Insurance Co	101-773-724.000	5.75
06/20	06/24/2020	89441	Dearborn Life Insurance Co	101-789-724.000	10.54
06/20	06/24/2020	89441	Dearborn Life Insurance Co	204-481-724.000	66.24
06/20	06/24/2020	89441	Dearborn Life Insurance Co	271-790-724.000	69.25
06/20	06/24/2020	89441	Dearborn Life Insurance Co	514-587-724.000	32.77
06/20	06/24/2020	89441	Dearborn Life Insurance Co	582-588-724.000	54.13
06/20	06/24/2020	89441	Dearborn Life Insurance Co	592-549-724.000	56.32
06/20	06/24/2020	89441	Dearborn Life Insurance Co	592-560-724.000	19.16
06/20	06/24/2020	89442	Delta Dental	101-172-724.000	49.97
06/20	06/24/2020	89442	Delta Dental	101-201-724.000	317.58
06/20	06/24/2020	89442	Delta Dental	101-208-724.000	90.57
06/20	06/24/2020	89442	Delta Dental	101-215-724.000	158.10
06/20	06/24/2020	89442	Delta Dental	101-265-724.000	31.85
06/20	06/24/2020	89442	Delta Dental	101-268-724.000	80.02
06/20	06/24/2020	89442	Delta Dental	101-345-724.000	1,003.26
06/20	06/24/2020	89442	Delta Dental	101-400-724.000	68.79
06/20	06/24/2020	89442	Delta Dental	101-441-724.000	208.02
06/20	06/24/2020	89442	Delta Dental	101-756-724.000	151.59
06/20	06/24/2020	89442	Delta Dental	101-770-724.000	176.61
06/20	06/24/2020	89442	Delta Dental	101-773-724.000	28.06
06/20	06/24/2020	89442	Delta Dental	101-789-724.000	60.17



GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
06/20	06/24/2020	89442	Delta Dental	204-481-724.000	231.11
06/20	06/24/2020	89442	Delta Dental	271-790-724.000	326.77
06/20	06/24/2020	89442	Delta Dental	514-587-724.000	58.36
06/20	06/24/2020	89442	Delta Dental	582-588-724.000	408.85
06/20	06/24/2020	89442	Delta Dental	592-549-724.000	467.72
06/20	06/24/2020	89442	Delta Dental	592-560-724.000	96.27
06/20	06/24/2020	89442	Delta Dental	701-000-230.110	39.17
06/20	06/24/2020	89442	Delta Dental	101-754-724.000	24.88
06/20	06/24/2020	89443	Derrerr Oil Co.	661-598-759.000	1,361.08
06/20	06/24/2020	89444	DTE Energy	592-538-920.000	39.93
06/20	06/24/2020	89444	DTE Energy	101-265-924.000	93.09
06/20	06/24/2020	89444	DTE Energy	582-593-924.000	189.02
06/20	06/24/2020	89444	DTE Energy	101-773-924.000	51.53
06/20	06/24/2020	89444	DTE Energy	101-265-924.000	60.08
06/20	06/24/2020	89444	DTE Energy	592-538-920.000	46.03
06/20	06/24/2020	89444	DTE Energy	271-790-924.000	61.93
06/20	06/24/2020	89444	DTE Energy	101-345-920.100	119.98
06/20	06/24/2020	89444	DTE Energy	101-268-924.000	151.15
06/20	06/24/2020	89444	DTE Energy	101-770-924.000	58.26
06/20	06/24/2020	89444	DTE Energy	592-558-920.000	37.48
06/20	06/24/2020	89444	DTE Energy	514-587-802.100	46.03
06/20	06/24/2020	89444	DTE Energy	592-538-920.000	60.69
06/20	06/24/2020	89444	DTE Energy	101-345-920.000	143.21
06/20	06/24/2020	89444	DTE Energy	592-551-920.000	360.75
06/20	06/24/2020	89444	DTE Energy	592-551-920.000	1,258.49
06/20	06/24/2020	89444	DTE Energy	271-790-924.000	61.31
06/20	06/24/2020	89444	DTE Energy	592-538-920.000	40.54
06/20	06/24/2020	89444	DTE Energy	592-555-920.000	42.75
06/20	06/24/2020	89445	Dunkel Excavating Services Inc.	202-469-802.000	1,360.00
06/20	06/24/2020	89445	Dunkel Excavating Services Inc.	101-770-802.000	270.00
06/20	06/24/2020	89446	Dunn's Business Solutions	101-172-751.000	5.26
06/20	06/24/2020	89446	Dunn's Business Solutions	101-201-751.000	5.26
06/20	06/24/2020	89446	Dunn's Business Solutions	101-208-751.000	3.68
06/20	06/24/2020	89446	Dunn's Business Solutions	101-257-751.000	2.63
06/20	06/24/2020	89446	Dunn's Business Solutions	101-215-751.000	3.15
06/20	06/24/2020	89446	Dunn's Business Solutions	101-345-751.000	14.71
06/20	06/24/2020	89446	Dunn's Business Solutions	101-400-751.000	2.63
06/20	06/24/2020	89446	Dunn's Business Solutions	101-441-751.000	7.88
06/20	06/24/2020	89446	Dunn's Business Solutions	101-770-751.000	.53
06/20	06/24/2020	89446	Dunn's Business Solutions	101-773-775.000	.53
06/20	06/24/2020	89446	Dunn's Business Solutions	101-756-751.000	5.26
06/20	06/24/2020	89446	Dunn's Business Solutions	101-789-751.000	1.03
06/20	06/24/2020	89447	Ellens Equipment	661-598-931.000	102.55
06/20	06/24/2020	89447	Ellens Equipment	661-598-931.000	787.76
06/20	06/24/2020	89448	Elmer's Crane & Dozer Inc.	101-756-778.000	660.16
06/20	06/24/2020	89449	Emmet Co. Dept of Public Works	101-529-802.000	7,109.10
06/20	06/24/2020	89450	Emmet County Clerk	101-262-802.000	679.53
06/20	06/24/2020	89450	Emmet County Clerk	101-262-802.000	770.00
06/20	06/24/2020	89451	Ever-Green Lawn Care	101-770-802.000	876.00
06/20	06/24/2020	89451	Ever-Green Lawn Care	101-770-802.000	1,620.00
06/20	06/24/2020	89452	Fastenal Company	204-481-775.000	15.09
06/20	06/24/2020	89452	Fastenal Company	101-528-775.000	15.09
06/20	06/24/2020	89453	Great Lakes Energy	592-538-920.000	55.15
06/20	06/24/2020	89453	Great Lakes Energy	592-558-920.000	64.37
06/20	06/24/2020	89453	Great Lakes Energy	101-345-920.100	280.76
06/20	06/24/2020	89453	Great Lakes Energy	592-538-920.000	89.24



GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
06/20	06/24/2020	89453	Great Lakes Energy	592-558-920.000	152.53
06/20	06/24/2020	89454	Haley's Plumbing & Heating	101-268-802.000	120.00
06/20	06/24/2020	89454	Haley's Plumbing & Heating	101-789-802.000	240.00
06/20	06/24/2020	89454	Haley's Plumbing & Heating	101-754-802.000	120.00
06/20	06/24/2020	89454	Haley's Plumbing & Heating	101-770-802.000	2,305.26
06/20	06/24/2020	89454	Haley's Plumbing & Heating	514-587-802.000	360.00
06/20	06/24/2020	89454	Haley's Plumbing & Heating	202-467-802.000	952.31
06/20	06/24/2020	89455	Harbor Springs Excavating	101-756-778.000	675.20
06/20	06/24/2020	89456	Haviland Products Company	592-551-783.000	5,069.21
06/20	06/24/2020	89456	Haviland Products Company	592-540-783.000	3,429.90
06/20	06/24/2020	89457	JanWay Corporation USA, Inc.	271-790-752.000	93.86
06/20	06/24/2020	89458	John E. Green Co.	101-345-802.100	255.00
06/20	06/24/2020	89459	Kolinske, Chrissy	101-756-778.000	555.62
06/20	06/24/2020	89460	Lennemann, Mark	101-789-767.000	60.00
06/20	06/24/2020	89461	Little Traverse Disposal	101-528-802.000	7,605.00
06/20	06/24/2020	89462	Michigan AgriBusiness Solutions	592-551-806.000	816.07
06/20	06/24/2020	89463	Michigan Library Association	271-790-915.000	85.00
06/20	06/24/2020	89464	Michigan Pure Ice	101-789-775.000	82.50
06/20	06/24/2020	89465	Mid-Continent Group	101-789-937.000	2,530.00
06/20	06/24/2020	89466	Midwest Tape	271-790-761.000	74.98
06/20	06/24/2020	89466	Midwest Tape	271-790-761.000	399.90
06/20	06/24/2020	89467	North Central Laboratories	592-553-775.000	2,177.34
06/20	06/24/2020	89468	North Country IT	271-790-802.000	386.00
06/20	06/24/2020	89469	Northern A-1 Environmental Services	203-469-802.000	780.00
06/20	06/24/2020	89469	Northern A-1 Environmental Services	202-469-802.000	780.00
06/20	06/24/2020	89469	Northern A-1 Environmental Services	202-469-802.000	2,782.00
06/20	06/24/2020	89469	Northern A-1 Environmental Services	203-469-802.000	2,782.00
06/20	06/24/2020	89470	Northern Electric 2 LLC	101-773-802.000	240.00
06/20	06/24/2020	89471	Northern Michigan Review Inc.	248-739-880.200	491.88
06/20	06/24/2020	89472	Operations Services	101-770-802.000	968.60
06/20	06/24/2020	89473	P.C. Lawn Care	582-593-930.000	250.00
06/20	06/24/2020	89474	Pauls Meter Testing LLC	582-592-802.000	602.00
06/20	06/24/2020	89475	Peninsula Fiber Network LLC	271-790-850.000	133.80
06/20	06/24/2020	89475	Peninsula Fiber Network LLC	101-228-850.000	446.00
06/20	06/24/2020	89476	Performance Painting	101-770-802.000	4,400.00
06/20	06/24/2020	89476	Performance Painting	202-473-802.000	1,950.00
06/20	06/24/2020	89476	Performance Painting	582-590-802.000	300.00
06/20	06/24/2020	89477	Plunkett Cooney	101-266-802.000	7,542.00
06/20	06/24/2020	89478	Print Shop, The	101-400-751.000	207.00
06/20	06/24/2020	89479	Proclean North	582-593-930.000	1,463.00
06/20	06/24/2020	89480	Quadient Finance USA Inc.	101-172-751.000	400.00
06/20	06/24/2020	89480	Quadient Finance USA Inc.	101-201-751.000	400.00
06/20	06/24/2020	89480	Quadient Finance USA Inc.	101-208-751.000	280.00
06/20	06/24/2020	89480	Quadient Finance USA Inc.	101-257-751.000	200.00
06/20	06/24/2020	89480	Quadient Finance USA Inc.	101-215-751.000	240.00
06/20	06/24/2020	89480	Quadient Finance USA Inc.	101-345-751.000	1,120.00
06/20	06/24/2020	89480	Quadient Finance USA Inc.	101-400-751.000	200.00
06/20	06/24/2020	89480	Quadient Finance USA Inc.	101-441-751.000	600.00
06/20	06/24/2020	89480	Quadient Finance USA Inc.	101-770-751.000	40.00
06/20	06/24/2020	89480	Quadient Finance USA Inc.	101-773-775.000	40.00
06/20	06/24/2020	89480	Quadient Finance USA Inc.	101-756-751.000	400.00
06/20	06/24/2020	89480	Quadient Finance USA Inc.	101-789-751.000	80.00
06/20	06/24/2020	89481	Quality First Aid & Safety Inc.	582-593-802.000	61.52
06/20	06/24/2020	89481	Quality First Aid & Safety Inc.	592-551-775.000	14.28
06/20	06/24/2020	89482	Range Telecommunications	204-481-850.000	57.00
06/20	06/24/2020	89482	Range Telecommunications	101-756-850.000	10.00



GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
06/20	06/24/2020	89482	Range Telecommunications	582-593-850.000	70.00
06/20	06/24/2020	89482	Range Telecommunications	592-560-850.000	59.20
06/20	06/24/2020	89482	Range Telecommunications	592-549-850.000	57.00
06/20	06/24/2020	89483	Rieth-Riley Construction Co	592-545-775.000	271.58
06/20	06/24/2020	89483	Rieth-Riley Construction Co	592-545-775.000	418.10
06/20	06/24/2020	89483	Rieth-Riley Construction Co	592-545-775.000	184.26
06/20	06/24/2020	89484	Root Mechanical LLC	592-556-802.000	4,650.00
06/20	06/24/2020	89484	Root Mechanical LLC	592-558-802.000	2,325.00
06/20	06/24/2020	89485	Safety-Kleen Systems Inc.	661-598-785.000	309.70
06/20	06/24/2020	89486	Sanisweep Inc.	202-466-802.000	3,480.00
06/20	06/24/2020	89486	Sanisweep Inc.	203-466-802.000	3,480.00
06/20	06/24/2020	89487	Shred-It USA	101-215-751.000	490.88
06/20	06/24/2020	89488	SiteOne Landscape Supply	101-754-775.000	357.34
06/20	06/24/2020	89488	SiteOne Landscape Supply	101-770-775.000	166.54
06/20	06/24/2020	89488	SiteOne Landscape Supply	101-268-775.000	182.60
06/20	06/24/2020	89488	SiteOne Landscape Supply	101-770-775.000	15.17
06/20	06/24/2020	89488	SiteOne Landscape Supply	101-770-775.000	20.60
06/20	06/24/2020	89488	SiteOne Landscape Supply	202-467-775.000	102.50
06/20	06/24/2020	89488	SiteOne Landscape Supply	202-467-775.000	5.66
06/20	06/24/2020	89488	SiteOne Landscape Supply	101-770-775.000	116.84
06/20	06/24/2020	89489	Solutions Electric Inc.	101-789-802.000	247.40
06/20	06/24/2020	89490	Spectrum Business	101-345-850.000	66.65
06/20	06/24/2020	89490	Spectrum Business	101-345-850.100	178.60
06/20	06/24/2020	89490	Spectrum Business	101-172-850.000	96.23
06/20	06/24/2020	89490	Spectrum Business	101-201-850.000	51.32
06/20	06/24/2020	89490	Spectrum Business	101-208-850.000	32.08
06/20	06/24/2020	89490	Spectrum Business	101-257-850.000	32.08
06/20	06/24/2020	89490	Spectrum Business	101-215-850.000	25.66
06/20	06/24/2020	89490	Spectrum Business	101-345-850.000	70.57
06/20	06/24/2020	89490	Spectrum Business	101-400-850.000	32.08
06/20	06/24/2020	89490	Spectrum Business	101-441-850.000	57.74
06/20	06/24/2020	89490	Spectrum Business	101-756-850.000	38.49
06/20	06/24/2020	89490	Spectrum Business	204-481-850.000	19.25
06/20	06/24/2020	89490	Spectrum Business	204-481-850.000	19.25
06/20	06/24/2020	89490	Spectrum Business	582-588-850.000	64.15
06/20	06/24/2020	89490	Spectrum Business	582-593-850.000	25.66
06/20	06/24/2020	89490	Spectrum Business	592-549-850.000	38.49
06/20	06/24/2020	89490	Spectrum Business	592-560-850.000	38.49
06/20	06/24/2020	89490	Spectrum Business	514-587-802.100	122.02
06/20	06/24/2020	89490	Spectrum Business	101-770-850.000	104.98
06/20	06/24/2020	89491	Stakoe, Joseph C.	582-588-802.000	2,750.00
06/20	06/24/2020	89492	Standard Electric Company	582-010-111.000	10,988.24
06/20	06/24/2020	89493	Staples Advantage	101-172-751.000	56.26
06/20	06/24/2020	89493	Staples Advantage	101-201-751.000	56.26
06/20	06/24/2020	89493	Staples Advantage	101-208-751.000	39.38
06/20	06/24/2020	89493	Staples Advantage	101-257-751.000	28.13
06/20	06/24/2020	89493	Staples Advantage	101-215-751.000	33.76
06/20	06/24/2020	89493	Staples Advantage	101-345-751.000	157.53
06/20	06/24/2020	89493	Staples Advantage	101-400-751.000	28.13
06/20	06/24/2020	89493	Staples Advantage	101-441-751.000	84.39
06/20	06/24/2020	89493	Staples Advantage	101-770-751.000	5.63
06/20	06/24/2020	89493	Staples Advantage	101-773-775.000	5.63
06/20	06/24/2020	89493	Staples Advantage	101-756-751.000	56.26
06/20	06/24/2020	89493	Staples Advantage	101-789-751.000	11.23
06/20	06/24/2020	89493	Staples Advantage	101-345-751.000	5.22
06/20	06/24/2020	89493	Staples Advantage	101-201-751.000	5.40



GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
06/20	06/24/2020	89494	Unique Paving Materials Corp.	661-010-111.000	5,703.39
06/20	06/24/2020	89495	Valley City Linen	271-790-752.000	25.00
06/20	06/24/2020	89495	Valley City Linen	271-790-752.000	25.00
06/20	06/24/2020	89495	Valley City Linen	271-790-752.000	25.00
06/20	06/24/2020	89495	Valley City Linen	271-790-752.000	25.00
06/20	06/24/2020	89496	Vidosh North LLC	592-556-802.000	3,000.00
06/20	06/24/2020	89497	VSP	101-172-724.000	26.88
06/20	06/24/2020	89497	VSP	101-201-724.000	85.12
06/20	06/24/2020	89497	VSP	101-208-724.000	19.88
06/20	06/24/2020	89497	VSP	101-215-724.000	39.76
06/20	06/24/2020	89497	VSP	101-265-724.000	11.98
06/20	06/24/2020	89497	VSP	101-268-724.000	23.32
06/20	06/24/2020	89497	VSP	101-345-724.000	448.58
06/20	06/24/2020	89497	VSP	101-400-724.000	16.46
06/20	06/24/2020	89497	VSP	101-441-724.000	80.53
06/20	06/24/2020	89497	VSP	101-754-724.000	13.24
06/20	06/24/2020	89497	VSP	101-756-724.000	36.57
06/20	06/24/2020	89497	VSP	101-770-724.000	65.24
06/20	06/24/2020	89497	VSP	101-773-724.000	8.06
06/20	06/24/2020	89497	VSP	101-789-724.000	15.62
06/20	06/24/2020	89497	VSP	204-481-724.000	66.64
06/20	06/24/2020	89497	VSP	271-790-724.000	117.04
06/20	06/24/2020	89497	VSP	514-587-724.000	31.92
06/20	06/24/2020	89497	VSP	582-588-724.000	85.12
06/20	06/24/2020	89497	VSP	592-549-724.000	117.88
06/20	06/24/2020	89497	VSP	592-560-724.000	39.76
06/20	06/24/2020	89498	Michigan Association of Chiefs of Police	101-345-913.000	100.00
06/20	06/24/2020	89498	Michigan Association of Chiefs of Police	101-345-913.000	100.00
06/20	06/24/2020	89499	Plunkett Cooney	101-266-802.000	2,240.00
06/20	06/24/2020	89499	Plunkett Cooney	101-266-802.000	1,362.50
06/20	06/24/2020	89499	Plunkett Cooney	101-257-802.000	610.00
06/20	06/24/2020	89499	Plunkett Cooney	101-266-802.000	12,706.75
06/20	06/24/2020	89499	Plunkett Cooney	101-266-802.000	1,168.65
06/20	06/24/2020	89499	Plunkett Cooney	204-481-802.000	1,168.65
06/20	06/24/2020	89499	Plunkett Cooney	582-588-802.000	1,168.65
06/20	06/24/2020	89499	Plunkett Cooney	592-549-802.000	1,168.65
06/20	06/24/2020	89499	Plunkett Cooney	592-560-802.000	1,168.65
06/20	06/24/2020	89500	Char-Em United Way	701-000-230.800	75.00
06/20	06/24/2020	89501	Beckett & Raeder Inc.	101-770-802.000	435.00
06/20	06/24/2020	89501	Beckett & Raeder Inc.	247-751-802.000	300.00
06/20	06/24/2020	89501	Beckett & Raeder Inc.	101-770-802.000	240.00
06/20	06/24/2020	89501	Beckett & Raeder Inc.	101-770-802.000	2,100.00
06/20	06/24/2020	89501	Beckett & Raeder Inc.	247-751-802.000	420.00
07/20	07/01/2020	89547	1000Bulbs	582-590-775.000	730.58
07/20	07/01/2020	89548	AICPA (Payment - Dues)	101-215-915.000	285.00
07/20	07/01/2020	89549	Alliance Entertainment	271-790-761.000	282.74
07/20	07/01/2020	89549	Alliance Entertainment	271-790-761.100	44.72
07/20	07/01/2020	89549	Alliance Entertainment	271-790-761.100	28.99
07/20	07/01/2020	89550	Amazon Credit Plan	271-790-958.100	40.09
07/20	07/01/2020	89550	Amazon Credit Plan	271-790-958.100	65.60
07/20	07/01/2020	89550	Amazon Credit Plan	271-790-752.000	31.99
07/20	07/01/2020	89550	Amazon Credit Plan	271-790-751.000	164.82
07/20	07/01/2020	89550	Amazon Credit Plan	271-790-752.000	119.97
07/20	07/01/2020	89551	Barrette, Terry	204-481-850.000	120.00
07/20	07/01/2020	89552	Bek, Sarah	101-172-850.000	120.00
07/20	07/01/2020	89553	Bendzinski & Co.	101-215-801.000	1,000.00



GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
07/20	07/01/2020	89554	Breed, Matthew	101-345-850.000	120.00
07/20	07/01/2020	89555	Carter's Imagewear & Awards	101-773-775.000	45.00
07/20	07/01/2020	89555	Carter's Imagewear & Awards	101-789-767.000	63.00
07/20	07/01/2020	89555	Carter's Imagewear & Awards	101-773-775.000	85.00
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	101-265-920.000	1,612.07
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	101-268-920.000	1,115.51
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	101-345-920.000	3,242.49
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	101-345-920.100	690.32
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	101-754-920.000	324.58
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	101-770-920.000	4,131.89
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	101-773-920.000	686.95
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	101-789-920.000	1,112.76
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	202-160-920.000	401.36
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	204-448-920.000	2,700.00
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	271-790-920.000	1,714.98
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	514-587-802.100	43.67
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	514-587-920.000	341.02
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	582-586-920.000	49.38
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	582-593-920.000	1,391.54
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	592-538-920.000	9,465.28
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	592-542-920.000	49.38
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	592-551-920.000	18,136.76
07/20	07/01/2020	89556	CITY TREAS. FOR UTILITY BILLS	592-555-920.000	1,210.56
07/20	07/01/2020	89557	Consumers Energy	582-584-802.000	2,812.50
07/20	07/01/2020	89558	Conti, Joseph	101-268-850.000	120.00
07/20	07/01/2020	89559	Davis, Jeff	582-588-850.000	120.00
07/20	07/01/2020	89560	Decka Digital LLC	592-549-751.000	108.75
07/20	07/01/2020	89561	Demco	271-790-751.000	119.22
07/20	07/01/2020	89562	Derrer Oil Co.	661-598-759.000	1,616.75
07/20	07/01/2020	89563	Drost Landscape	101-770-802.100	170.00
07/20	07/01/2020	89563	Drost Landscape	101-770-802.100	1,093.28
07/20	07/01/2020	89564	EJ USA Inc.	592-545-775.000	296.13
07/20	07/01/2020	89564	EJ USA Inc.	592-545-775.000	23.62
07/20	07/01/2020	89565	Elliott, Sherrie	592-560-850.000	120.00
07/20	07/01/2020	89566	Emmet County Clerk	271-790-752.000	647.90
07/20	07/01/2020	89567	FAR PRODUCTS INC.	101-789-775.000	67.80
07/20	07/01/2020	89568	Fate, Jason	101-441-850.000	120.00
07/20	07/01/2020	89569	Flynn, Martin	592-549-850.000	120.00
07/20	07/01/2020	89570	Gempler's	101-770-775.000	81.46
07/20	07/01/2020	89570	Gempler's	101-770-775.000	44.97
07/20	07/01/2020	89571	Gibby's Garage	101-789-802.000	136.00
07/20	07/01/2020	89571	Gibby's Garage	582-593-930.000	170.00
07/20	07/01/2020	89571	Gibby's Garage	661-598-931.000	272.00
07/20	07/01/2020	89571	Gibby's Garage	661-598-932.000	340.00
07/20	07/01/2020	89571	Gibby's Garage	582-593-930.000	68.00
07/20	07/01/2020	89571	Gibby's Garage	661-598-931.000	646.00
07/20	07/01/2020	89571	Gibby's Garage	661-598-932.000	986.00
07/20	07/01/2020	89572	Great Lakes Pipe & Supply	101-770-775.000	9.11
07/20	07/01/2020	89572	Great Lakes Pipe & Supply	101-268-775.000	25.94
07/20	07/01/2020	89572	Great Lakes Pipe & Supply	101-770-775.000	15.52
07/20	07/01/2020	89572	Great Lakes Pipe & Supply	101-770-775.000	1.33
07/20	07/01/2020	89572	Great Lakes Pipe & Supply	101-770-775.000	28.09
07/20	07/01/2020	89572	Great Lakes Pipe & Supply	101-770-775.000	75.40
07/20	07/01/2020	89572	Great Lakes Pipe & Supply	101-770-775.000	21.52
07/20	07/01/2020	89572	Great Lakes Pipe & Supply	592-551-775.000	5.70
07/20	07/01/2020	89572	Great Lakes Pipe & Supply	101-268-775.000	113.25



GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
07/20	07/01/2020	89572	Great Lakes Pipe & Supply	101-770-775.000	113.25
07/20	07/01/2020	89573	Haley's Plumbing & Heating	271-790-930.000	120.00
07/20	07/01/2020	89573	Haley's Plumbing & Heating	271-790-930.000	120.00
07/20	07/01/2020	89574	Harrell's LLC	101-770-775.000	85.00
07/20	07/01/2020	89575	Hart, Tyler	101-770-850.000	120.00
07/20	07/01/2020	89576	Hummel, Jon	101-754-920.000	120.00
07/20	07/01/2020	89577	K & J Septic Service LLC	592-554-802.000	400.00
07/20	07/01/2020	89578	KARR, ADRIAN	101-345-850.000	120.00
07/20	07/01/2020	89579	Klingelsmith, Kendall	101-770-850.000	120.00
07/20	07/01/2020	89580	Kolinske, Chrissy	101-756-808.010	327.98
07/20	07/01/2020	89581	Kring Chevrolet Cadillac, Dave	661-598-932.000	52.85
07/20	07/01/2020	89581	Kring Chevrolet Cadillac, Dave	661-598-932.000	59.72
07/20	07/01/2020	89581	Kring Chevrolet Cadillac, Dave	661-598-932.000	52.85
07/20	07/01/2020	89582	Kruskie, David	101-770-850.000	120.00
07/20	07/01/2020	89583	KSS Enterprises	271-790-752.000	14.64
07/20	07/01/2020	89583	KSS Enterprises	101-770-931.000	1,563.06
07/20	07/01/2020	89583	KSS Enterprises	101-770-775.000	80.00
07/20	07/01/2020	89584	Lennemann, Mark	101-773-850.000	120.00
07/20	07/01/2020	89585	LexisNexis Risk Data Management Inc.	101-208-802.000	150.00
07/20	07/01/2020	89586	Lowery Underground Service	582-020-360.000	1,370.00
07/20	07/01/2020	89586	Lowery Underground Service	582-588-802.000	870.00
07/20	07/01/2020	89586	Lowery Underground Service	582-586-802.000	200.00
07/20	07/01/2020	89586	Lowery Underground Service	582-020-360.000	13,368.50
07/20	07/01/2020	89586	Lowery Underground Service	582-598-802.000	8,381.25
07/20	07/01/2020	89587	Michigan Pure Ice	101-789-775.000	22.00
07/20	07/01/2020	89588	Michigan Water Environment Assoc.	592-560-915.000	390.00
07/20	07/01/2020	89589	Midwest Tape	271-790-761.000	64.98
07/20	07/01/2020	89590	mParks	101-756-915.000	1,205.00
07/20	07/01/2020	89591	On Duty Gear LLC	101-345-775.000	267.44
07/20	07/01/2020	89592	P.C. Lawn Care	582-584-802.000	65.00
07/20	07/01/2020	89592	P.C. Lawn Care	582-584-802.000	55.00
07/20	07/01/2020	89593	Parker, Michael	101-345-850.000	120.00
07/20	07/01/2020	89594	Plath, Audrey	101-215-850.000	120.00
07/20	07/01/2020	89595	Power Line Supply	582-586-775.000	741.20
07/20	07/01/2020	89595	Power Line Supply	582-010-111.000	630.00
07/20	07/01/2020	89595	Power Line Supply	582-010-111.000	580.48
07/20	07/01/2020	89595	Power Line Supply	582-590-775.000	119.04
07/20	07/01/2020	89595	Power Line Supply	582-586-775.000	26.00
07/20	07/01/2020	89596	Rasmussen, Derek	101-770-850.000	120.00
07/20	07/01/2020	89597	ROBBINS, MICHAEL	101-441-850.000	120.00
07/20	07/01/2020	89598	Schultz, David	101-345-850.000	120.00
07/20	07/01/2020	89599	Smith, Daniel	101-345-850.000	120.00
07/20	07/01/2020	89600	Smith, Edward J	101-756-850.000	120.00
07/20	07/01/2020	89601	Spartan Distributors Inc.	661-598-931.000	74.49
07/20	07/01/2020	89602	Spectrum Business	582-588-850.000	94.99
07/20	07/01/2020	89602	Spectrum Business	582-588-850.000	94.99
07/20	07/01/2020	89603	State of Michigan Dept of Transportation	592-020-342.000	441.83
07/20	07/01/2020	89603	State of Michigan Dept of Transportation	592-025-343.000	503.48
07/20	07/01/2020	89603	State of Michigan Dept of Transportation	582-020-360.000	82.19
07/20	07/01/2020	89604	State of Michigan-Department of LARA	582-081-642.300	3,649.64
07/20	07/01/2020	89604	State of Michigan-Department of LARA	582-081-642.400	724.96
07/20	07/01/2020	89604	State of Michigan-Department of LARA	582-081-642.500	6.44
07/20	07/01/2020	89604	State of Michigan-Department of LARA	582-081-642.200	170.20
07/20	07/01/2020	89605	State of Michigan-Dept of LARA	271-790-930.000	190.00
07/20	07/01/2020	89606	Straebel, Robert	101-172-850.000	120.00
07/20	07/01/2020	89607	Taylor Rental Center	101-789-802.000	72.20



GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
07/20	07/01/2020	89608	Terry, Alan	101-215-850.000	120.00
07/20	07/01/2020	89609	Tetra Tech Inc	592-537-802.000	3,625.00
07/20	07/01/2020	89610	Traffic & Safety Control Systems Inc.	514-587-931.000	685.00
07/20	07/01/2020	89611	Treetop Products Inc.	101-789-775.000	382.44
07/20	07/01/2020	89612	Troxel, Todd	101-345-850.000	120.00
07/20	07/01/2020	89613	True Pest Control	592-537-802.000	225.00
07/20	07/01/2020	89613	True Pest Control	592-554-802.000	225.00
07/20	07/01/2020	89613	True Pest Control	592-558-802.000	225.00
07/20	07/01/2020	89613	True Pest Control	592-555-802.000	225.00
07/20	07/01/2020	89614	Voss Lighting	582-590-775.000	522.00
07/20	07/01/2020	89615	W.W. Williams Co. LLC	101-789-775.000	91.57
07/20	07/01/2020	89616	Walters Sharpening Service Inc.	101-770-802.000	63.00
07/20	07/01/2020	89616	Walters Sharpening Service Inc.	101-773-775.000	37.50
07/20	07/01/2020	89616	Walters Sharpening Service Inc.	101-770-802.000	42.00
07/20	07/01/2020	89617	Michigan Association of Chiefs of Police	101-345-915.000	1,800.00
06/20	06/24/2020	999044	ACH-CHILD SUPPORT	701-000-230.160	326.44
06/20	06/24/2020	999045	ACH-EFTPS	701-000-230.200	13,326.16
06/20	06/24/2020	999045	ACH-EFTPS	701-000-230.100	22,036.63
06/20	06/24/2020	999045	ACH-EFTPS	701-000-230.200	13,326.16
06/20	06/24/2020	999045	ACH-EFTPS	701-000-230.200	3,116.61
06/20	06/24/2020	999045	ACH-EFTPS	701-000-230.200	3,116.61
06/20	06/24/2020	999046	ACH-ICMA 457	701-000-230.700	2,109.00
06/20	06/24/2020	999046	ACH-ICMA 457	701-000-230.700	5,130.00
06/20	06/24/2020	999047	ICMA 401	701-000-230.700	641.21
06/20	06/24/2020	999048	ICMA-ROTH	701-000-230.900	595.00
06/20	06/24/2020	999049	Mers DC 45	001-000-001.001	332.27
06/20	06/24/2020	999049	Mers DC 45	001-000-001.001	339.51
06/20	06/24/2020	999049	Mers DC 45	701-000-230.120	830.63
06/20	06/24/2020	999049	Mers DC 45	701-000-230.120	848.76
Grand Totals:					790,096.66



## Report Criteria:

Check.Check issue date = 06/11/2020,07/01/2020

Check Number	Check Issue Date	Name	GL Account	Amount
89294	06/11/2020	4441 V. LLC	592081645000	1,186.24
89502	07/01/2020	Bailey, Julie	101756808110	25.00
89503	07/01/2020	Bielaczyc, Mary	101-756-808.110	25.00
89503	07/01/2020	Bielaczyc, Mary	101-756-808.110	25.00
89504	07/01/2020	Bozzio, Lyndsey	101756808110	25.00
89505	07/01/2020	Brantley, Shelley	101756808110	25.00
89506	07/01/2020	Cleary, Gretchen	101756808110	40.00
89507	07/01/2020	Cross, Amy	101756808110	25.00
89508	07/01/2020	Culbertson, Kathy	101756808110	25.00
89509	07/01/2020	Daniel, Eric	101756808110	25.00
89510	07/01/2020	Dare Development	582081642300	9.74
89511	07/01/2020	Donahoe, Andrea	101756808110	25.00
89512	07/01/2020	Donaldson, Corbin	101756808110	25.00
89513	07/01/2020	Earl, Shaleagh	101-756-808.110	25.00
89514	07/01/2020	Eberly, Kate	101-756-808.110	30.00
89516	07/01/2020	Fettig, Jessica	101756808110	25.00
89517	07/01/2020	Fineout, Thea	101756808110	25.00
89518	07/01/2020	Firman, Chris	101756808110	25.00
89519	07/01/2020	Goral, Shawana	101756808110	25.00
89520	07/01/2020	Hillside Club Apts	582081642300	9.41
89521	07/01/2020	Hume, Amanda	101756808110	30.00
89522	07/01/2020	Kinney, Stacey	101756808110	25.00
89523	07/01/2020	Lesky, Cheryl	101756808110	25.00
89524	07/01/2020	Mellema, Heidi	101756808110	25.00
89525	07/01/2020	Michigan Heating & Cooling	582081642300	53.82
89526	07/01/2020	Nichols, Corin	101756808110	30.00
89527	07/01/2020	Petro, Chrissy	101756808110	25.00
89528	07/01/2020	Rariden, Brandie	101756808110	25.00
89529	07/01/2020	Reaves, Michael	582081642300	74.90
89530	07/01/2020	Retherford, Megan	101756808110	25.00
89531	07/01/2020	Riccinto, Millicent	582081642300	14.70
89532	07/01/2020	Schanski, Payne	101087654000	150.00
89533	07/01/2020	Scheib, Reneee	101756808110	25.00
89534	07/01/2020	Schultz, Jill	101756808110	30.00
89535	07/01/2020	Sebastian, Micah	582040285000	57.71
89536	07/01/2020	Selvala, Kristin	582081642300	54.74
89537	07/01/2020	Somers, Melissa	101756808110	25.00
89538	07/01/2020	Stokes, Bri	101756808110	25.00
89539	07/01/2020	Tabone, Carolyn	101-756-808.110	50.00
89540	07/01/2020	TJW LLC	582081642300	400.00
89541	07/01/2020	Tomaszewski, Terri	101756808110	25.00
89542	07/01/2020	Turcott, Anna	101-756-808.110	50.00
89543	07/01/2020	Vokelich, Elizabeth	582081642300	31.75
89544	07/01/2020	Wegmann, Kallie	101756808110	25.00
89545	07/01/2020	Wilson, Amy	101-756-808.110	50.00
89546	07/01/2020	Young, Jennifer	101756808110	30.00
89547	07/01/2020	Zulski, Sara	101756808110	50.00
Grand Totals:				3,083.01





# City of Petoskey

## Agenda Memo

**BOARD:** City Council

**MEETING DATE:** July 6, 2020

**PREPARED:** July 2, 2020

**AGENDA SUBJECT:** Appointment Recommendation

**RECOMMENDATION:** That the City Council consider this appointment

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The City Council will be asked to consider the following appointments:

- TAX INCREMENT FINANCE AUTHORITY BOARD (TIFA) – Reappointment of Linda Bade, 4984 Wildwinds Drive, for a four-year term ending April 2024.

sb  
Enclosure





# City of Petoskey

101 East Lake Street, Petoskey, Michigan 49770 • 231 347-2500 • Fax 231 348-0350

RECEIVED

JUN 15 2020

CITY OF PETOSKEY  
CITY MANAGER

43

## Application to Serve on a Board or Commission

Please **print**. Answer each question accurately and completely. If you require any accommodation to complete the application process, please notify a City staff member.

■ Name	BADE	LINDA	M	■ Date	06	10	2020		
	Last	First	Initial						
■ Residence Address	4984	WILDWINDS DR	BAY HARBOR	MI	49770	■ Home Phone			
	Number	Street	City	State	Zip				
■ Email Address	LINDA@VIDOSH-NORTH.COM					■ Work Phone			

Please answer the following questions using the space provided.

- What Board or Commission interests you and why are you applying? TAX INCREMENT FINANCE AUTHORITY  
THE WORK INTERESTS ME AND I HAVE PRIOR EXPERIENCE. MY CURRENT APPOINTMENT HAS EXPIRED.
- How do you believe your appointment would benefit the City? I HAVE BOTH EXPERIENCE AND INTEREST IN THE FUNCTIONS OF THE TIFA. I FEEL MY INTEREST AND EXPERIENCE WOULD BE A RE
- Describe any involvement in the community on a Board or Commission or in another volunteer capacity. Petoskey GARDEN CLUB; CHRIST CHILD SOCIETY
- How many continuous years have you lived in Petoskey? 9 OR 10
- Any other helpful information relevant to your application.

While it is not required, a resume is helpful in the recruitment process for City Boards and Commissions.

<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Are you a City of Petoskey registered voter?
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	Do you or immediate family members currently serve on a City Board or Commission? If yes, which Board or Commission?
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	Are you applying to the Downtown Management Board? If yes, do you have an interest in property located in the downtown district or are you a resident of the downtown district? Please explain.

The applicant acknowledges that the City may be required from time to time to release records in its possession. The applicant hereby gives permission to the City to release any records or materials received by the City from the applicant as it may be requested to do so as permitted by the Freedom of Information Act, MCL 15.231 et seq.

Applicant Signature: Linda BADE Date: 6-10-2020





# City of Petoskey

## Agenda Memo

**BOARD:** City Council

**MEETING DATE:** July 6, 2020

**PREPARED:** July 1, 2020

**AGENDA SUBJECT:** Air Easement Appraisal Discussion

**RECOMMENDATION:** That the City Council discuss and provide direction to staff

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**Background** At the May 18, 2020 City Council meeting Councilmembers voted 5-0 to undertake an air rights appraisal on a 20' wide area above the Saville Lot and adjacent to the west side of a proposed hotel at the intersection of Bay and Howard Streets. See attached meeting minutes.

The \$7,000 cost for the appraisal was paid for by hotel developers with the market value appraisal included in the council packet. The value of the 5,520 square foot air easement (two upper floors at 2,760 s.f. each) is calculated at \$57,000 using the sales comparison approach. Per the appraisal, air rights are defined as *"the right to undisturbed use and control of designated air space above a specific land area with stated elevations."* The air rights easement above the Saville Lot is rectangular in shape with dimensions of 20' wide, 21' 4" tall and 138' long. See page 4 of the appraisal for a visual depiction of the proposed air easement.

According to the appraisal, the Saville Lot could be developed into a three-story commercial building with a maximum footprint of 20,700 square feet. Because there is such a shortage of parking spaces in the downtown area, it is doubtful that the City would ever redevelop the Saville Lot in a manner that would reduce downtown parking spaces.

Currently, there are 45 parking spaces on the Saville Lot. The proposed parking structure estimates an additional 39 parking spaces could be added by constructing a two-story parking platform. Total potential parking spaces is estimated at 84.

The appraiser **used** five properties to calculate value of the easement area using the sales comparison approach. The five properties are as follows:

<b>Comparable Properties</b>	<b>\$ per square foot of developable building area</b>
502 Michigan Street (Parr Baptist Church)	\$17.90 per sq. ft.
319 State Street (Petoskey News Review Building)	\$13.83 per sq. ft.
202 East Mitchell Street (Corner of Emmet and Mitchell Street)	\$17.20 per sq. ft.
112, 116, 118 & 124 East Mitchell Street (Family Video)	\$14.18 per sq. ft.
200 East Lake Street (Petoskey Pointe)	\$8.36 per sq. ft.



The appraisal states the reasonable unit rate for a three-story 20,700 s.f. developed area on the Saville Lot is \$13 per square foot which is then discounted to a lesser amount because the intended use of the easement area is to remain vacant (undeveloped). Using a 20% discount rate, the value of the easement is reduced by \$14,352 to \$57,408, or rounded to \$57,000.

**Action** General discussion regarding the proposed air easement. If Council is interested in moving forward with sale of air easement, a motion could be made to direct the City Manager and City Attorney to develop a formal agreement for sale of the air easement. Any future agreement would need to be approved by City Council.

It is important to note that the development is still in the conceptual stages. Staff recommends alley access and overall traffic circulation between the proposed new hotel and the parking structure be fully reviewed by an independent consultant. This work will allow both the developer and City to maximize parking spaces both in the hotel and on the parking structure. There needs to be a clear, demonstrable connection on how both structures interrelate to each other. We feel this work should be completed prior to City Council's consideration on any formal easement agreement.

rs  
Enclosures





## CITY COUNCIL

May 18, 2020

A regular meeting of the City of Petoskey City Council was held from virtual locations on Monday, May 18, 2020. 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  
Suzanne Shumway, City Councilmember  
Brian Wagner, City Councilmember  
Lindsey Walker, City Councilmember

Absent: None

Also in attendance were City Manager Rob Straebel, Clerk-Treasurer Alan Terry, City Planner Amy Tweeten, Public Works Director Michael Robbins and Executive Assistant Sarah Bek.

### **Amend Agenda**

City Councilmember Marshall moved that, seconded by City Councilmember Wagner to amend agenda and move public comment from the end of the agenda to beginning of meeting.

Said motion was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)  
NAYS: None (0)

### **Hear 2019 Audit Presentation**

Jake Schierbeek and Trina Edwards, Dennis, Gartland & Niergarth representatives, Traverse City, presented information concerning the City's Financial Statements and Report of Independent Certified Public Accountants as the annual audit for the City's fiscal year ended December 31, 2019. Ms. Edwards also reviewed the audit-related communications letter and adjusted journal entries.

### **Consent Agenda - Resolution No. 19402**

Following introduction of the consent agenda for this meeting of May 18, 2020, City Councilmember Shumway moved that, seconded by City Councilmember Walker adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the May 4, 2020 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 May 4, 2020 for contract and vendor claims at \$415,118.88, intergovernmental claims at \$0, and the May 14 payroll at \$194,306.74, for a total of \$609,425.62 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)  
NAYS: None (0)



### **Hear Public Comment**

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

### **Hear City Manager Updates**

The City Manager reported that the Clerk's Office is researching options for the July Ward and City Conventions due to concerns whether the City could hold these events and be in compliance with the Governor's Executive Order pertaining to people congregating in one place and that Council could consider hosting virtual convention meetings via Zoom, but will be further discussed at the June 1 meeting; that spring residential rubbish pickup is scheduled for the week of June 8; that Jen Buchanan from Tip of the Mitt Watershed Council will be making an informational presentation on June 1 regarding engineering designs for the Lake Street Dam; that MDOT landscaping along US-31 is completed; that public comment period for the City's wastewater discharge permit has begun with comments being accepted for 30 days until June 12, 2020 and if no comments are received the NPDES permit will be finalized and issued by the State; that the Bayfront Stair Tower project is complete and a ribbon-cutting ceremony could take place in the summer if Council desires; and that crews have been doing repair work on the Bayfront East shoreline to help minimize further shoreline erosion until a long-term solution is implemented.

City Councilmembers had concerns with hosting virtual meetings for conventions and would like to try and conduct meetings in-person and heard inquiries on what type of plants would be installed along Bayfront East after slope work was completed.

The City Manager responded that the Public Works Director is working with the consultant on what types would be best along the shoreline.

### **Approve Board Appointments – Resolution 19403-19405**

Mayor Murphy reviewed that City Council consider the appointments to the Downtown Management Board and Zoning Board of Appeals.

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

BE IT RESOLVED that the City Council does and hereby approves the appointment of Marnie Duse, 429 Pearl Street, to the Downtown Management Board to fill a vacated term ending December 2020.

Said resolution was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)

NAYS: None (0)

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

BE IT RESOLVED that the City Council does and hereby approves the appointment of Jennifer Shorter, 7017 Stanley Court, to the Downtown Management Board to fill a vacated term ending December 2022.

Said resolution was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)

NAYS: None (0)

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



BE IT RESOLVED that the City Council does and hereby approves the reappointment of Jessica Shaw-Nolff, 517 East Lake Street, for a three-year term ending April 2023.

Said resolution was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)

NAYS: None (0)

Mayor Murphy read aloud a public comment from Reg Smith, 600 Arlington Avenue, endorsing the Downtown Management Board appointment recommendations and that they both represent multi-generational retail store ownership in downtown, and their input will be essential in the challenging business climate everyone is experiencing.

**Adopt Ordinance 776 to Conditionally Rezone Properties at 112, 116, 118 and 124 East Mitchell Street from B-1 Local Business and O-S Office Service Districts to B-2A Transitional Business – Resolution No. 19406**

The City Planner reviewed that this was a second reading of a proposed ordinance; gave a brief overview that the proposed B-2A Transitional Business District zoning would allow for site redevelopment with building placement and uses consistent with the Central Business District; that the B-2A height limit is the same as the remainder of the block that is zoned RM-2 Multiple Family; that the B-2A does not have a residential density limitation based on lot size and allows first floor residential; that the developer has offered conditions to ensure the upper stories are multiple family residential and has limited the possible commercial uses on the first floor; and that staff believes the rezoning is consistent with the City Master Plan and recommends ordinance approval.

City Councilmembers inquired if the property and proposed building would have to maintain form and architecture as indicated in the master plan and expressed concerns of the City's protection if building is demolished and never finished.

The City Planner responded that similar zoning is addressed in the proposed ordinance not architecture requirements and that the developer would have to restore the property if development does not occur.

The City Attorney also reviewed that a civil infraction could be issued to property owner if not restored.

Mayor Murphy asked for public comments and heard from those in support of the ordinance and that quality housing at all price points is needed to support the downtown businesses now more than ever.

City Councilmember Marshall moved that, seconded by City Councilmember Wagner adoption of the following ordinance:

An ordinance to amend the Zoning District Map of the City of Petoskey as set forth in Ordinance No. 451, the Zoning Ordinance of the City of Petoskey to re-zone specific properties from the O-S Office Service District and the B-1 Local Business District to the B-2A Transitional Business District.

WHEREAS, a request to rezone 112, 116, 118, 124 E. Mitchell Street from O-S Office Service and B-1 Local Business to B-2A Transitional Business was made on November 8, 2019; and

WHEREAS, the subject properties are located at the entrance to downtown and adjacent to US 31 and hold a single-story structure and three vacant lots within two different zoning districts; and

WHEREAS, successful redevelopment of the property necessitates that all parcels have the same zoning; and



WHEREAS, rezoning of the subject properties to B-2A is consistent with the City of Petoskey Master Plan objectives of guiding development and redevelopment in a manner that will maintain high quality living and working environments for current and future residents, ensuring that future infill development or redevelopment is compatible with and enhances existing residential areas, and maintaining and enhancing Downtown Petoskey as the regional economic and cultural center of the community; and

WHEREAS, the proposed rezoning is consistent with the Future Land Use Map of the Petoskey Master Plan; and

WHEREAS, the Petoskey Planning Commission held a public hearing on the rezoning request at its December 19, 2019 meeting; and

WHEREAS, after the public hearing, the Petoskey Planning Commission had a tie vote (4-4) on the request and therefore failed to make a recommendation to City Council that the Zoning District Map be amended to add the subject properties to the B-2A Transitional Business District due to the concern of the property being located in the parking exempt district; and

WHEREAS, the Planning Commission held a public hearing at its February 20, 2020 meeting, and recommended to City Council that Sections 1704(c) and 2903(3) be amended to reduce the size of the parking exempt district, removing the subject properties from said district, and decreasing the parking requirements to 75% of full requirements in the B-2A Transitional Business District to promote a more pedestrian-oriented development pattern; and

WHEREAS, the concern of the Planning Commission with the rezoning of 112, 116, 118, 124 E. Mitchell to B-2A Transitional Business has been addressed should the proposed changes to Sections 1704(C) and 2903(3) be approved by City Council; and

WHEREAS, upon hearing the concerns raised by City Council regarding the entirety of uses allowed in the B-2A District, the property owner subsequently and voluntarily submitted conditions for the rezoning; and

WHEREAS, the City has considered the voluntary conditions and determined that the conditions further the above goals of enhancing existing residential areas and the community and are additionally consistent with anticipated future land uses;

NOW THEREFORE, the City of Petoskey ordains:

1. City Council accepts the conditions offered by the property owner with respect to Lots 1, 2, 3 and 4 of Block 3, Ignatius Petoskey's Addition to the Village of Petoskey City recorded in Liber 1 of Plats, Page 7, Emmet County Records.
2. Lots 1, 2, 3 and 4 of Block 3, Ignatius Petoskey's Addition to the Village of Petoskey City recorded in Liber 1 of Plats, Page 7, Emmet County Records are rezoned to B-2A Transitional Business District, subject to all applicable zoning usages, standards, regulations, requirements, and conditions of that district, except as modified herein.
3. In addition to the zoning provisions applicable to B-2A Transitional Business District properties, the above properties shall be subject to the following additional conditions:
  - a. The upper two stories of the building will be restricted to multi-family residential housing; and
  - b. The following commercial uses listed in Table 2901.1 shall not be allowed: brewpub, microbrewery, winery, food service with or without alcohol service, open air businesses, and public assembly.
4. The conditional rezoning is subject to the following timing considerations:



- a. The properties will be cleared, including the demolition of any existing structures, and the land graded within twenty-four (24) months, absent an extension by the City at the request of the owner. Should this process not be completed in this time period, the zoning will revert to the previous zoning districts.
  - b. The condition that the upper two stories of the building be restricted to multi-family residential housing shall exist until such time that the City determines to rezone said properties to remove or modify this restriction in light of a change in conditions rendering a change to the zoning ordinance appropriate.
  - c. The condition not to allow brewpub, microbrewery, winery, food service with or without alcohol service, open air businesses, and public assembly shall exist until such time that the City determines to rezone said properties to remove or modify this restriction in light of a change in conditions rendering a change to the zoning ordinance appropriate.
5. The Zoning District Map of the City of Petoskey shall be, and the same hereby is, amended in order that the following described property be shown as located in the B-2A Transitional Business District and the Zoning classification hereafter for said property shall be B-2A Transitional Business. The property hereby re-zoned, subject to the above conditions, is described as follows:

All of Lots 1, 2, 3 and 4 of Block 3, Ignatius Petoskey's Addition to the Village of Petoskey City recorded in Liber 1 of Plats, Page 7, Emmet County Records.
  6. The various parts, sections and clauses of this Ordinance are hereby declared to be severable. If any part, sentence, paragraph, section, or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected thereby.
  7. This Ordinance shall take effect fifteen (15) days following its enactment and shall be published once within seven (7) days after its enactment as provided by Charter.

Said ordinance was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)

NAYS: None (0)

**Adopt Ordinance 777 Amending Sections 1704(c) Off-street Parking Exception to General Provision and 2903(3) Site Requirements in the B-2A Transitional Business District – Resolution No. 19407**

The City Planner reviewed that this was a third reading of a proposed ordinance; that the amendment to Section 1704(c) would remove two areas from the Parking Exempt District; that the amendment to Section 2903(3) would reduce parking requirements for redevelopment in the B-2A District to allow no less than 75% full parking requirements; that the intent of the two ordinance amendments is to remove existing residential areas on the fringe of the Central Business District from the parking exempt district, while allowing reduced parking requirements for redevelopment in the B-2A Transitional Business District, a district intended as a transition from the B-2 Central Business District to adjacent neighborhoods, that encourages mixed use, pedestrian oriented redevelopment; and that the amendments were unanimously recommended by the Planning Commission.

Mayor Murphy asked for public comments and read aloud a comment in support of the ordinance and in light of the proposed development on East Mitchell Street, it is an acceptable change in the parking exempt boundaries.

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



An Ordinance to amend Sections 1704(C) and 2903(3) of Appendix A, Zoning Ordinance, of the Petoskey Code of Ordinances

WHEREAS, an objective of the City of Petoskey Master Plan is to maintain and enhance Downtown as the regional economic and cultural center of the community; and

WHEREAS, it is acknowledged that to accomplish a dense urban core there is a need for municipal parking to discourage development of private surface parking lots that remove existing buildings and negatively impacting the pedestrian orientation of the downtown; and

WHEREAS, there exists a parking exempt district in the downtown area described in Section 1704(c) of the Zoning Ordinance where on-site parking is not required for any permitted use; and

WHEREAS, the periphery areas of the Central Business District, including the B-2A Transitional Business and B-2B Mixed Use Corridor, are also intended to maintain a pedestrian orientation; and

WHEREAS, the Planning Commission held a public hearing on changes to Section 1704(c) and 2903(3) of the Zoning Ordinance that would reduce the size of the parking exempt district, and reduce parking requirements in the B-2A Transitional Business to no less than 75% of full requirements; and

WHEREAS, the Planning Commission recommends that the changes to Sections 1704(c) and 2903(3) of the Zoning Ordinance be approved to ensure that existing public parking is not overly burdened by future redevelopment at the periphery of downtown, while also promoting a pedestrian-oriented development pattern:

NOW THEREFORE, the City of Petoskey ordains:

1. Section 1704(c) of Appendix A to the Petoskey Code of Ordinances is hereby amended as follows:

*Exception to general provisions.* The area delineated as the Central Business Parking Exempt District is exempt from providing off-street parking, but if off-street parking and loading requirements are provided, the lot shall meet all applicable design standards of this Zoning Code. The Central Business Parking Exempt District is defined as the area bounded by Michigan Street on the south, Rose Street on the north, US 31 and Emmet Street on the west, and on the east, it follows Woodland and Division Streets to a point 138 feet north of the Bay Street right-of-way to an east-west alley, thence west to the former railroad corridor now identified as the Downtown Greenway Corridor, thence northeast until it reaches the Rose Street right-of-way as illustrated below:





2. Section 2903(3) of Appendix A to the Petoskey Code of Ordinances is hereby repealed and replaced with the following:

Sec. 2903(3) Site Requirements

- (a) Parking shall only be permitted as accessory to an immediately adjacent principal use.
  - (b) Parking lot development is only allowed in the rear or side yards and screened with a hedge or finished wall of at least three (3) feet and no more than four feet in height from view of any public street, alley, parkland or adjacent residential property.
  - (c) Parking spaces shall be set back a minimum of three feet from the property line.
  - (d) Off-street parking requirements in the B2-A District are no less than 75 percent of the requirements of Table 1704(h).
3. Conflicting Standards.  
If any of the standards set forth in this amendment conflict with any other standards of previous or further ordinances or amendments, the stricter standards shall apply.
  4. Repeal; Savings Clause.  
All ordinances, resolutions, or orders, or parts thereof, in conflict with the provisions of this ordinance are, to the extent of such conflict, repealed.
  5. Severability.  
The various parts, sections and clauses of this Ordinance are hereby declared to be severable. If any part, sentence, paragraph, section or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected thereby.



6. Effect.

This ordinance shall take effect fifteen (15) days following its enactment and shall be published once within seven (7) days after its enactment as provided by Charter.

Said ordinance was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)

NAYS: None (0)

**Discuss Bay and Howard Street Proposed Development & Possible Brownfield Plan**

The City Manager reviewed that at the May 4 meeting, representatives for the Bay and Howard Street hotel project presented conceptual plans with discussion on the feasibility of establishing a Brownfield Plan for the site as well as improvements to the Saville Lot; that revenue sources were limited at that meeting, so staff completed additional research including whether State education tax dollars may be available if the City were to pursue a potential Brownfield Plan; that according to MEDC representatives State education taxes and taxes levied for school operating purposes may be available for reimbursement of eligible activities associated with a Brownfield Plan; that there is a good chance the State may approve an additional 18 mills to reimburse the City and developer for eligible activities, which would be in addition to the local millage of 24 mills that would be levied upon the additional tax dollar capture generated by the hotel; that the local school district and ISD are made whole by the State and will not see any reductions in their funding; reviewed estimates from the developer which show State funding to be \$1.6M with local funding amounting to \$1.9M; reviewed proposed eligible activities and estimated costs for both the developer and City; that local taxes and State education taxes would reimburse the City an estimated \$3,146,386 for the project; that there would be very little risk to the City as the City would only be obligated to construct the parking platform when the hotel development is completed and sufficient additional tax increment dollars are available to the City to pay off annual debt service associated with a parking platform; reviewed that the DMB could be a partner in building the parking platform by dedicating a portion of their parking meter revenues to assist reimbursing the City for annual debt service on the parking platform; that there is a demand for covered parking and will increase tax revenue for the City in the future; that if Council is interested in a Brownfield Plan for the proposed hotel, the developer offered to develop a Brownfield 381 Action Plan that would provide more financial detail on the proposed project; reviewed the process that final financial calculations would need to be developed through the City and Emmet County Brownfield Authority and would take several months to develop; and reviewed that the hotel conceptual plans will be reviewed by the Planning Commission on May 21.

Barry Polzin, representative for developers, reviewed the hotel conceptual plans and that valet parking only allows for more parking in which the developers plan to utilize this concept.

Eric Helzer, financial representative for developers, reviewed proposed hotel project options with and without a Brownfield Plan; reviewed estimated costs and captured taxes with each option; that a TIF could be created today to establish base value; that TIF could be amended to add more time to complete project if needed; and that the TIF would go away if nothing is developed.

City Councilmembers inquired what role Mac McClelland played in the Brownfield process since he was involved in the Great Lakes Center for the Arts project; heard inquiries on the purpose of Brownfields; discussion on what happens if City finds environmental eligible activities; heard from those in favor of the option to include, but remove later if wanted; that concrete numbers are needed to make a decision; discussed proformas, expenses and plans; and that the proposed development is consistent with goal four of the City's Action Plan.

Mr. Helzer reviewed process of Brownfield Plan and who would be involved; reviewed that due to proposed site there isn't much environmental cleanup, but can build into plan after the fact if need be; and that a Brownfield Plan could be setup now to create TIF so City would have a better idea of capture amount.



The City Manager reviewed that staff was not looking for approval of TIF or air easement tonight; that both matters run concurrently; and that DMB should be included in the discussion.

Mayor Murphy asked for public comments and read aloud a comment in support of the project; that the parking area known as the Saville Lot is the most critical area for continued retail and pedestrian success; heard support for any kind of Brownfield or similar TIF in this area to support future public enhancements and infrastructure; that parking is needed in this area; that an enhanced snow removal or a sidewalk melt system could be installed; a public plaza for viewing and entertainment could be created and an improved year-round connection to the waterfront; and that it is a great opportunity for transformational development that would have a positive impact on downtown for years to come.

**Approve Appraisal Agreement for Bay/Howard Street Hotel Air Easement – Resolution No. 19408**

The City Manager reviewed that at the May 4 meeting, City Council directed the City Attorney to develop an agreement requiring the developer to pay for the costs of an appraisal in the determination of fair market value for the proposed easement area for the Bay and Howard Street hotel project. The City Manager further reviewed the agreement; that the developer is to pay \$7,000 to have appraisal completed; and that the hotel development will be discussed by the Planning Commission on May 21.

City Councilmembers inquired and asked for clarification of the client referenced in the agreement and that it is the City, not developer and heard from those in favor of beginning process and if there was a reason they could not approve at the meeting.

The City Manager responded that approval could happen tonight, but City should be genuine with developer and the main concern is how Council would like to move forward vs. value of easement and the amount of money the City could receive.

Mr. Polzin commented that the developer is willing to pay for appraisal and would most likely be a 30-day process.

City Councilmember Marshall moved that, seconded by City Councilmember Shumway to contract with Integra Realty Resources – Detroit, Birmingham, for valuation and consulting services for air rights on a 20' wide parcel of land with the developer paying costs in the amount of \$7,000.

Said motion was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)

NAYS: None (0)

**Approve PILOT Ordinance Process for Lofts at Lumber Square – Resolution No. 19409**

The City Manager reviewed that Ben Ide of Haan Development sent a proposal to City staff for a potential workforce/affordable housing project on the Gruler site on Emmet Street; reviewed that Lofts at Lumber Square is a proposed three-story, 60-unit apartment complex on Emmet and Fulton Streets; that the developer was asking Council to consider approving a Payment in Lieu of Taxes (PILOT) ordinance to qualify for low-income tax credits and USDA Rural Development Section 515 funding; that staff recommends the Planning Commission review the conceptual site plan before any formal action on the PILOT; reviewed three purposes of a PILOT including to encourage the development or rehabilitation of affordable housing, to assist in the financial feasibility of a project with below-market rents and to demonstrate community participation in applications to other funding sources; reviewed that a PILOT is needed by the developer for State funding; reviewed past PILOTS approved by the City; that staff believes the proposed project closely aligns with the Harbor Village Senior Citizen Apartment I & II project which was granted a 10% annual PILOT service charge; that the developer stated that a 10% PILOT service charge would work from a proforma standpoint; reviewed PILOT service charge vs. Ad Valorem Taxes; and reviewed how the project compares to City's economic development strategy and current B-2B mixed use corridor zoning.



Mr. Ide briefly reviewed the proposed project and timeline process; that there is no rental subsidy for developer; that there will be general occupancy applicants and no special cases; and that the developer will be applying for the October 1 funding round and will need PILOT ordinance approved before then.

City Councilmembers commented that the project seems too good to be true, aligns with City goals and strategies and heard from those in support of keeping the process moving.

City Councilmember Walker moved that, seconded by City Councilmember Marshall to move forward with PILOT ordinance process.

Said motion was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)

NAYS: None (0)

#### **Discuss Potential Postponement of Several 2020 General Fund Expenditures**

The City Manager reviewed the financial impacts to local governments as a result of the COVID-19 pandemic; that there is uncertainty of when some businesses will be allowed to operate again; reviewed early predictions of shortfalls in the State budget for 2020 and 2021 with anticipation of State funding to municipalities to drop substantially; reviewed that State revenue sharing is the second largest outside source of funding in the General Fund; and reviewed that staff recommended possible postponements of several 2020 General Fund expenditures.

City Councilmembers inquired if staff prioritized budgetary cuts.

The Finance Director reviewed State revenue sharing amounts and how it would affect the City budget.

#### **Approve Application to MDOT-Transportation Economic Development Fund (TEDF) for Category B Grant Monies – Resolution No. 19410**

The City Manager reviewed that MDOT was accepting applications for the Transportation Economic Development Fund (TEDF) Category B Program; that the grant monies is to be allocated for road improvements to cities and villages with a population of 10,000 or fewer; reviewed grant requirements; that streets designated as Local, streets scoring low on the PASER system and streets that are not eligible for the federal funding Small Urban Program have a better chance of being funded; that the following segments would be good candidates for eligible funding including Hill Street from Northmen Drive to Kalamazoo Avenue, West Jefferson Street from Connable Avenue to Ingalls Avenue and Connable Avenue from West Jefferson Street to approximately 200 feet south; and that total construction cost is estimated at \$163,000 with the City responsible for 50% match funding in the amount of \$81,500.

City Councilmembers expressed concern if monies should be spent in light of the pandemic and General Fund budget cuts.

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

WHEREAS, the City of Petoskey is applying for \$81,500 in funding through MDOT from the Transportation Economic Development Category B Program to construct resurfacing of Local Roads including Hill Street from Northmen Drive to Kalamazoo Avenue; West Jefferson Street from Connable Avenue to Ingalls Avenue; and Connable Avenue from West Jefferson Street to approximately 200 feet south; and

WHEREAS, MDOT requires a formal commitment from the public agency that will be receiving these funds and will be implementing and maintaining these infrastructure projects;



NOW, THEREFORE, BE IT RESOLVED that the City has authorized Michael Robbins, Public Works Director, to act as agent on behalf of the City to request Transportation Economic Development Fund Category B Program funding, to act as the applicant's agent during the project development, and to sign a project agreement upon receipt of a funding award; and

BE IT FURTHER RESOLVED, that the City attests to the existence of, and commits to, providing at least \$81,500 toward the construction costs of the project(s), and all costs for design, permit fees, administration costs and cost overruns; and

BE IT FURTHER RESOLVED, that the City commits to owning, operating, funding and implementing a maintenance program over the design life of the facilities constructed with Transportation Economic Development Fund Category B Program funding.

Said resolution was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)

NAYS: None (0)

**Approve Liquor License for Mammoth Distilling LLC – Resolution No. 19411**

The City Manager reviewed that a representative for Mammoth Distilling LLC, Torch Lake, requested approval to operate an Off-Premise Tasting Room in the Village of Bay Harbor; that in December 2019 Council granted approval to Mammoth Distilling LLC for a tasting room located at 4197 Main Street, Bay Harbor, and that prior to taking occupancy the applicant determined the location of 4181 Main Street, Bay Harbor, would better fit their needs; that Mammoth Distilling has been in business since 2013 and is currently licensed with the Michigan Liquor Control Commission as a Small Distiller, Micro Brewer and Small Wine Maker; that Bay Harbor Company LLC is aware of the business intentions and a draft lease agreement is prepared for 4181 Main Street, Bay Harbor; and that a background review has been completed by the Public Safety Department in conjunction with the LCC.

City Councilmember Shumway moved that, seconded by City Councilmember Wagner to adopt a resolution supplied by the Michigan Liquor Control Commission approving a New Off-Premise Tasting Room License for Mammoth Distilling LLC, to be located at 4181 Main Street, Bay Harbor.

Said resolution was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)

NAYS: None (0)

**Establish 2019 Tax Millage Rates – Resolution No. 19412**

The Finance Director reviewed the proposed 2020 millage rates and tax revenue. City Council approved the 2020 Annual Budget at their November 18, 2019 meeting which included a provision for property-tax millage rates to remain the same as in 2019. City Council was now being asked to formally establish the millage rates necessary to provide the budgeted property-tax revenue approved in the 2020 Annual Budget for the General Fund, Library Fund and Right-of-Way Fund.

The Finance Director reviewed total millage rates; taxable values and State's inflation rate and that the City is required to roll back millage rates; and reviewed property tax revenues that will be collected from each levy including general operating, solid waste, public safety equipment, library and right-of-way.

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

WHEREAS, as required by City Charter provisions, the City Manager on November 4, 2019 presented to the City Council the City's proposed annual budget for the 2020 fiscal year; and



WHEREAS, as also required by City Charter provisions, the City Council on November 18, 2019, conducted a public hearing to receive comments concerning the proposed budget, including rates of property-tax millages that had been estimated for levies during 2020; and

WHEREAS, following its review of the proposed 2020 Annual Budget, and after conducting a public hearing to receive comments concerning the proposed budget and estimated tax levies, the City Council on November 18, 2019, approved the 2020 Annual Budget:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby directs that there shall be raised through a general tax upon the taxable real and personal property within the City during the next summer tax levy for the year commencing January 1, 2020, millages in the amount of 7.4837 for general operating purposes, 0.4890 for solid-waste purposes, 0.7377 for Public Safety equipment purchases, 1.7694 for library purposes, and 3.8537 for right-of-way purposes; and, when collected, proceeds from such levy are hereby appropriated to the General Fund, Library Fund, and Right-of-Way Fund; and

BE IT FURTHER RESOLVED that the total aggregated amount of all such authorized millages shall total 14.3335 mills; and

BE IT FURTHER RESOLVED that these various millages so ordered to be levied shall be certified by the City Clerk-Treasurer to the City Assessor and shall be levied and collected upon the taxable value of all taxable property within the City.

Said resolution was adopted by the following vote:

AYES: Marshall, Shumway, Wagner, Walker, Murphy (5)

NAYS: None (0)

### **Council Comments**

Mayor Murphy asked for Council comments and Councilmember Wagner thanked staff and residents for staying calm during these unprecedented times. Councilmember Walker mentioned that she attended the Special Planning Commission meeting concerning the Master Plan and it was very interesting; that she is in favor of street closings to help downtown businesses; and that Michigan Maple Block property would be favorable property for housing due to their current business closing. Councilmember Shumway commented on how good it is to see how well government is working and participation by citizens. Councilmember Marshall is in favor of closing streets this summer to help downtown businesses during these unprecedented times and that DMB should highly consider street closures. Mayor Murphy thanked the community and staff for their efforts during the ongoing pandemic and expressed that the community continue to stay safe.

There being no further business to come before the City Council, this May 18, 2020, meeting of the City Council adjourned at 9:40 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer



**Appraisal of Real Property**

**Air Right Easement**

322 Bay Street

Petoskey, Michigan County, Michigan 49770

**Prepared For:**

City of Petoskey

**Effective Date of the Appraisal:**

June 2, 2020

**Report Format:**

Appraisal Report – Standard Format

**IRR - Detroit**

File Number: 142-2020-0577







**Air Right Easement**  
322 Bay Street  
Petoskey, Michigan





June 22, 2020

Robert Straebel  
City Manager  
City of Petoskey  
101 E Lake St  
Petoskey, MI 49770

SUBJECT:       Market Value Appraisal  
                  Air Right Easement  
                  322 Bay Street  
                  Petoskey, Michigan County, Michigan 49770  
                  IRR - Detroit File No. 142-2020-0577

Dear Mr. Straebel:

Integra Realty Resources – Detroit is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value as is of the leasehold interest in the air rights . The client for the assignment is the City of Petoskey, and the intended use is to provide an opinion of the Air Right Easement Value.

The subject is the air rights/easement above a parent parcel of vacant land utilized as a municipal parking lot containing an area of 0.16 acres or 6,900 square feet. The property is zoned B-2, Central Business, which permits mixed use development. The air rights/easement being appraised is 20 foot wide and 21 feet high proposed easement, above the eastern portion of the parent parcel.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and applicable state appraisal regulations.



To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value of Air Rights	Leasehold	June 2, 2020	\$57,000

#### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. None

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

As of the date of value, the economy (globally, nationally, and locally) was in a state of rapid transition with a widespread expectation of the imminent onset of a significant recession. The outbreak of COVID-19 (coronavirus disease of 2019) in China was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. Some market deterioration had occurred shortly before this date, but the declaration by the WHO soon led to municipal and statewide orders to "shelter in place," causing widespread closures of businesses and a massive disruption to general commerce. The status of economic conditions is changing rapidly, creating great uncertainty in the markets. Our analysis of these and related issues is presented in the attached report. The value expressed herein represents our opinion based on the best available data reflective as of the date of value.



Robert Straebel  
City of Petoskey  
June 22, 2020  
Page 3

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

**INTEGRA REALTY RESOURCES - DETROIT**



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# Table of Contents

<b>Executive Summary</b>	<b>1</b>
<b>Quality Assurance</b>	<b>2</b>
<b>General Information</b>	<b>3</b>
Identification of Subject	3
Ownership & Sale History	5
Pending Transactions	5
Purpose of the Appraisal	5
Definition of Market Value	5
Definition of As Is Market Value	6
Definition of Property Rights Appraised	6
Intended Use and User	6
Applicable Requirements	6
Report Format	6
Prior Services	7
Scope of Work	7
<b>Economic Analysis</b>	<b>9</b>
Area Analysis	9
<b>Property Analysis</b>	<b>19</b>
Land Description and Analysis	19
Real Estate Taxes	24
Highest and Best Use	25
Process	25
<b>Valuation</b>	<b>27</b>
Valuation Methodology	27
Sales Comparison Approach	28
Analysis and Adjustment of Sales	32
Land Value Conclusion	33
Reconciliation and Conclusion of Value	37
Exposure Time	37
Marketing Period	38
<b>Certification</b>	<b>39</b>
<b>Assumptions and Limiting Conditions</b>	<b>41</b>
<b>Addenda</b>	
A. Appraiser Qualifications	
B. Property Information	
C. Comparable Data	



## Executive Summary

Property Name	Air Right Easement
Address	322 Bay Street Petoskey, Michigan County, Michigan 49770
Property Type	Land - Commercial
Owner of Record	City of Petoskey
Tax ID	52-19-06-226-002
Land Area Parent Parcel	6,900 SF
Land Area (Air Right Easement)	5,520 SF
Zoning Designation	B-2, Central Business
Highest and Best Use - As Vacant	Mixed Use
Highest and Best Use - As Improved	Continued Surface Parking Lot
Exposure Time; Marketing Period	12 months; 12 months
Effective Date of the Appraisal	June 2, 2020
Date of the Report	June 22, 2020
Property Interest Appraised	Leasehold
Sales Comparison Approach	
Number of Sales	5
Range of Sale Dates	Jan 18 to Jun 20
Range of Prices per Bldg. SF (Unadjusted)	\$8.36 - \$17.90
Market Value Conclusion	\$57,000

### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. None

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.



## Quality Assurance

Delivering superior value is a top priority at IRR and we place a premium on feedback from our valued clients. By learning more about your experience with IRR, we will be better able to serve your needs – to enhance our products, service offerings, and client communications.

Attached is a short survey applicable to this appraisal report and the service that you received. Please take a few minutes to share your experience of IRR with us. Your feedback will be reviewed by our Quality Control team. If you desire a follow-up telephone call, please provide your contact information and a member of our Quality Control team will contact you.

Access the online survey here: [quality.irr.com](http://quality.irr.com).

Thank you in advance for assisting us with this important endeavor. Please feel free to contact your Local Office using the contact information provided within the letter of transmittal or our Quality Control team at [quality@irr.com](mailto:quality@irr.com), with any questions or suggestions you may have.



## General Information

### Identification of Subject

The subject is the air rights/easement above a parent parcel of vacant land utilized as a municipal parking lot containing an area of 0.16 acres or 6,900 square feet. The property is zoned B-2, Central Business, which permits mixed use development. The air rights/easement being appraised is 20 foot wide and 21 feet high proposed easement, above the eastern portion of the parent parcel.

#### Property Identification

Property Name	Air Right Easement
Address	322 Bay Street Petoskey, Michigan 49770
Tax ID	52-19-06-226-002
Owner of Record	City of Petoskey

### Valuation Highlights

A developer is planning on demolishing several structures on a site in Downtown Petoskey, then constructing a new hotel and parking garage. The proposed hotel site is next to a City of Petoskey owned surface parking lot made up of two parcel numbers and is commonly referred to as the Saville Parking lot. Details of the proposed development are contained in the addendum.



This parking lot serves the buildings in the downtown district, is an important amenity to the viability of this downtown district, and most sites are developed to lot lines with multi-story buildings. The developer of the neighboring site has proposed to acquire a portion of the air rights above a portion of the Saville parking lot, to ensure the upper two floors of hotel rooms will always have a method of ingress and egress. The proposed easement states that, "No structure, landscaping or other feature shall be built, installed or otherwise permitted to be placed within the Easement that exceeds a height



above elevation 645.93 (1988 NGV Datum). The Easement is for the purpose of providing an easement for light, air, access and fire separation distance over and above the described portion of Parcel 1 for the benefit of Parcel 2, and no structures or landscaping shall be permitted in the Easement area. Following is a plan depicting the area of air rights that the developer would like to acquire.



The parking lot easement possesses a value for the “Air Rights”. Air Rights are defined as “the right to undisturbed use and control of designated air space above a specific land area within stated elevations.”

<sup>1</sup>

Air rights may be acquired to construct a building above the land or to protect the light and air of an existing or proposed structure on an adjoining lot. Air rights do not always include development rights. The terms air rights and air space often are used interchangeably. Air rights refer to the leasehold interest or right of use of property above ground level. The air rights are a fractional interest in real property which may be sold, leased, hypothecated, exchanged, or devised in the same manner as any other interest in real property. Air space is the cubicle volume of an area lying above the ground level of a parcel of land. This air space may be accurately measured and subdivided horizontally and/or vertically.

The parent site consists of a 50 foot x 138 foot or 6,900 SF city owned parking lot that is improved with 14 parking spaces. The air right easement is for the top two floors of area above the 20 foot wide strip of land on the 6,900 SF total site. Above is a sketch provided by the developer that illustrates the total site and the approximate area of the air easement requested.

<sup>1</sup> The Dictionary of Real Estate Appraisal, 6th Addition, the Appraisal Institute, Chicago, Illinois (U.S., 2015)



The developer of an adjacent parcel intends to construct a multi-story hotel and would like to acquire the air-rights or easement of a 20 foot portion of the parent site. The maximum height of a structure that would be allowed on the site is 3-stories and zoning regulations do not require setbacks. Therefore the total site could be developed with a (6,900 SF x 3) 20,700 SF building. The air rights easement would be for a 20 foot wide by 138 foot long area or 2,760 SF on each of the upper two floors. This would result in an air right area of 5,520 SF of developable area, if the parking lot were to be re-developed into a three-story commercial building, developed to the maximum permitted developable area. The following leasehold valuation will be for an air right easement of the upper two floors of air space for the 20 foot wide, 2<sup>nd</sup> and 3<sup>rd</sup> floor area.

### **Ownership & Sale History**

The owner of the subject is the City of Petoskey. Research of the applicable public records, private data services and an interview of the current owner, revealed the subject property is not under agreement or option and is not offered for sale on the open market. Additionally, according to these sources, the parent property and subject air rights have not been transferred during the past three years.

### **Pending Transactions**

To the best of our knowledge, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

### **Purpose of the Appraisal**

The purpose of the appraisal is to develop an opinion of the market value as is of the leasehold interest in the air rights as of the effective date of the appraisal, June 2, 2020. The date of the report is June 22, 2020. The appraisal is valid only as of the stated effective date or dates.

### **Definition of Market Value**

Market value is defined as:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”



*(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)*

### **Definition of As Is Market Value**

As is market value is defined as, “The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.”

*(Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015); also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471)*

### **Definition of Property Rights Appraised**

Air rights give the holder the right to use designated air space for a period typically specified in a lease or easement agreement.

Easement is defined as, “An interest in real property that conveys use, but not ownership, of a portion of an owner's property. Access or right of way easements may be acquired by private parties or public utilities. Governments dedicate conservation, open space, and preservation easements.”

Air rights are a leasehold interest in that they convey a right of use for a period of time while another party retains title to the underlying land. As such, the air rights represent a leasehold interest.

Leasehold interest is defined as, “The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.”

*Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015)*

### **Intended Use and User**

The intended use of the appraisal is for provide an opinion of the Air Right Easement Value. The client and intended user is The City of Petoskey.

### **Applicable Requirements**

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations.

### **Report Format**

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending



on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

### Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

### Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

### Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

#### Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

We use only the sales comparison approach in developing an opinion of value for the subject. This approach is applicable to the subject because there is an active market for similar properties, and sufficient sales data is available for analysis. We have used the “Across-the-Fence” valuation methodology, which is a variant of the Sales Comparison Approach in order to value the subject’s air rights. This valuation methodology requires that the appraiser determine the land value of typical properties and apply that to the air rights being appraised.

The cost approach is not applicable because there are no improvements that contribute value to the property, and the income approach is not applicable because the subject air rights are not likely to generate rental income in its current state.

### Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report.



**Inspection**

Bradley G. Conkey conducted an on-site inspection of the property on June 2, 2020. Anthony Sanna, MAI, CRE, FRICS, did not inspect the subject.



## Economic Analysis

### Area Analysis

The reader is reminded that the demographics presented on this and the following pages were gathered during the period that preceded the COVID-19 pandemic and imminent recession. The data provides useful information for purposes of considering the population and economy of the local area under stabilized market conditions. However, job losses, unemployment (overall and in different sectors), impaired commerce, and reduced income levels will result in demographic statistics after February 2020 that do not follow the stabilized trend that would have been expected based only on a review of data through 2019 and the first few weeks of 2020.

### City of Petoskey

Petoskey is a coastal resort community in Emmet County at the northern end of the Lower Peninsula of Michigan. The community is known for its natural beauty, Victorian architecture, historic Gaslight Shopping District, and its eight miles of Lake Michigan shoreline. This upscale resort community is enjoyed by many visitors year-round for many recreational opportunities including snow skiing and snowmobiling in the winter months and gorgeous beaches for swimming and boating, golfing and biking in the summer.

Petoskey is known for its million-dollar sunsets and the summer home of Ernest Hemingway in his early years. The downtown area of Petoskey serves as a hub for tourists from Bay Harbor, Bay View, Harbor Springs, Walloon Lake, and the surrounding Emmet County region.

The City of Petoskey encompasses a jurisdictional territory of 6.2 square miles, or about 4,000 acres, along eight miles of Little Traverse Bay of Lake Michigan shoreline, including the Bay Harbor development site, which was transferred to the City from the Township of Resort in 1994 through an intergovernmental agreement.

Tourism has always been an important part of the economy since the 1880's. People came from through the Midwest on railroads and steamships to escape the summer heat of the non-air conditioned cities or to seek hay fever relief in the cool, clean air that came off Lake Michigan. By 1900 there were 14-hotels in Petoskey that could accommodate as many as 2,000 guests on any given night. In its early years, the economy of the Little Traverse Bay Region included limestone mining and lumbering. Lumber from this area was shipped south on Lake Michigan to help rebuild Chicago after the famous Chicago fire.

The subject property is located within the City of Petoskey, approximately 1.5 blocks east of the Federal U.S. 131 highway (Spring Street), an arterial north/south thoroughfare. The immediate neighborhood is within the City of Petoskey downtown central business district.

Access to the neighborhood is good. U.S. 131 and U.S. 31 are four to five lane, class A Federal highways and the major traffic routes through northern Michigan. U.S. 31 from Charlevoix and



Traverse City to the south intersects U.S. 131 in Petoskey. A location map is shown on the following page.



The City of Petoskey is the Emmet County seat and center of government. The population of Emmet County has increased by 2.4% to 33,472 persons from 2010 to 2020. (See Addenda – Emmet County Economic Profile) The population within the city limits of Petoskey for the year 2010 was 5,670 persons and has decreased to 5,756. The population of Bear Creek Township, the township that surrounds the city, is 6,352 (2019) and has grown approximately 2.4% from 2010 to 2019. Summer residents can cause the population to increase threefold.

McLaren-Northern Michigan Hospital and Burns Professional Building promote Petoskey medical facilities to a level that rival many larger urban areas. Petoskey has public (K-12) school with an enrollment of 2,350, more or less, a private Catholic School (K-8) with an enrollment of 325, more or less, and two smaller private schools with a combined enrollment of approximately 50 students.

The Petoskey metropolitan area is experiencing diversified economic growth. As of 2019, the employment base was 8% agricultural, 9% industrial, 10% construction, 21% retail, 7% finance related services, 36 % other services, and 9% government. The largest employers are McLaren-Northern Michigan Hospital and Burns Professional Building. The outlying property bounding the subject neighborhood to the south is an area of growing commercial development south of the intersection of U.S. 131 and U.S. 31, which is along the U.S. 131 thoroughfare leading southward from the city limits of Petoskey.



Most recent developments surrounding the subject area include a new (2020) Courtyard by Marriott full service hotel with 139 guest rooms and suites complimenting the Odawa Casino, a relatively new Indian gaming facility, Wal-Mart retail center, Home Depot, Petoskey Multi-screen Cinema, Office Depot, Applebee's Restaurant and Lowe's retail outlet.

Further, Petoskey's downtown central business district includes several blocks of older renovated buildings known as the Gaslight District which are generally occupied by specialty retail business types on the ground level and office/residential use on the upper levels. A waterfront park and marina are located just to the north and within walking distance from the downtown central business district. To the northwest of the subject area is Magnus Park. This is a relatively large city park with Lake Michigan frontage and several walking trails throughout. Further, west, along U.S. 31 heading toward Charlevoix are more developing commercial properties and the previously mentioned Bay Harbor Development.

Commercial properties within the subject area range in size from 1,000 SF to 150,000 SF, and range in quality from average to excellent. Improved property prices range with size from \$200,000 to several million. Property values of commercial office and retail properties within the area increased steadily from the early 1990's through the early 2000's.

From the year 2010 to present, commercial property values have been trending upward at a relatively stable pace. Currently, the commercial market appears to be growing at market adjusted levels with supply and demand factors in balance. Rent rates have increased slightly over the recent period of stability while overall capitalization rates have decreased slightly over the past twelve months and are indicative of the current economic factors. There are no other adverse influences, hazards, or nuisances in the subject neighborhood.

Following are two maps obtained through the Downtown Strategic Plan 2018 – 2022.



**FIGURE 1**  
**Downtown Shopping Map**





**FIGURE 2**  
**DDA/ DMB Boundary**



According to the city Strategic Plan, Downtown Petoskey's low vacancy rates, increased nightlife, and additional housing units all point to a resilient downtown district. Downtown real estate is increasing in demand as indicated by the number of property transfers. The high number of transfers had uncapped property assessments, which resulted in an increase of State Equalized Value.

Downtown has followed the national trend of moving toward more service-sector business district. In the mid-2000's, there was an increase in storefronts used by salons and fitness business, followed by an increase in restaurants, and more recently there has been an increase in interior design studios—some with a retail component. Similar to national retail trends, vacancy rates have increased and there are quite a few vacant retail storefronts in the downtown district.

As a result, developers have started several proposals for redevelopment of sites that have ground floor retail, with some parking on the first floor to serve residential condominiums or apartments on the upper floors. The site immediately east of the subject is planned be developed with a hotel. The expected influx of increased pedestrian traffic will result in stronger retail sales that should grow and increase retail activity. Following is a map of the downtown area with the major proposed redevelopment projects noted.





## Parking



## Air Right Easement



According to news articles, the city website and planning and zoning records, parking appears to be at a premium in Petoskey. The parent parcel is a municipal parking lot known as the Saville Lot, consisting of 65 spaces. This is a metered lot with a three-hour maximum time that is \$1.00 per hour, Monday through Saturday. Becky Goodman, the Downtown Director for the City of Petoskey, reported that the annual revenue for the Saville parking lot is estimated at \$37,000 or \$569 per space.



There has been ongoing discussions about building a multi-story parking deck on various City owned lots, but the cost of constructing the parking deck has been an impediment for the proposal. Due to the lack of parking, it is unlikely that any city owned parking lot would be sold for re-development into an additional commercial building, due to the current lack of parking. More likely, the subject as well as other municipal lots would remain city-owned and used to support parking for the business district and retailers. The subject is part of the Saville Parking Lot, which primarily serves the businesses along E. Lake Street, the most desirable commercial area in the downtown district.

There is a nearby parcel of land planned for development that could alter the downtown district. This parcel of land is located to the southeast of the subject, and is referred to as the "Hole" or "Pit", that has been a center of controversy for the city for many years. This parcel has been vacant since 2007 and was purchased in October 2018 for \$2,300,000. The current owner has presented several plans for redevelopment, but has not received any approvals due to ongoing issues with some commissioners.

## Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.



### Surrounding Area Demographics

2020 Estimates	Petoskey	Emmet County, MI	Michigan
Population 2010	5,670	32,694	9,883,640
Population 2020	5,636	33,472	10,020,118
Population 2025	5,648	33,942	10,106,177
Compound % Change 2010-2020	-0.1%	0.2%	0.1%
Compound % Change 2020-2025	0.0%	0.3%	0.2%
Households 2010	2,533	13,601	3,872,508
Households 2020	2,575	14,229	3,985,584
Households 2025	2,600	14,528	4,038,431
Compound % Change 2010-2020	0.2%	0.5%	0.3%
Compound % Change 2020-2025	0.2%	0.4%	0.3%
Median Household Income 2020	\$45,618	\$56,544	\$60,055
Average Household Size	2.1	2.3	2.5
College Graduate %	40%	33%	29%
Median Age	42	46	40
Owner Occupied %	51%	74%	72%
Renter Occupied %	49%	26%	28%
Median Owner Occupied Housing Value	\$225,098	\$202,857	\$175,510
Median Year Structure Built	1975	1982	1971
Average Travel Time to Work in Minutes	14	21	27

Source: Environics Analytics

The 2020 population in the City of Petoskey is 5,636 and is projected to remain similar in the next five years. The median household income is \$45,618 which is lower than county and state figures.

Property values within Emmet County and the greater Northwest Michigan region, as a whole, experienced significant increases at moderate increments through the years 2000-2004. Subsequent years from 2005 through 2010 reflected an overall market decline of approximately 15% to 50% due to the prevailing overall economic downturn. Following the end of the recessionary period property values began a stabilization with a turn to a gradual market increase at market adjusted rates.

Currently and as evidenced by the most recent sales, SEV values are increasing with increased demand resulting in a shortage (supply) of similar and competitive property, for both the residential and commercial real estate segments. With the Petoskey real estate market experiencing higher demand and lower inventory levels has resulted in more normal exposure and marketing times ranging from 3 to 6 months considering a seasonal marketplace.



Although, county equalization sales studies may lag up to two years, the most recent year-to-year comparative analysis of State Equalized Values within Emmet County are the most recent indicator of these trends. Market conditions adjustments to properly reflect the probable current selling price for prior year sales were derived from Emmet County annual statistics, as follows:

**Emmet County Comparison of Annual Equalized Values  
Commercial and Industrial Property Classes**

<u>Year</u>	<u>Commercial Values</u>	<u>% Increase (+) Decrease (-)</u>	<u>Industrial Values</u>	<u>% Increase (+) Decrease (-)</u>
2014	\$333,927,919		\$14,587,500	
2015	\$342,736,900	<b>2.64%</b>	\$14,267,400	<b>-2.19%</b>
2016	\$345,201,300	<b>0.72%</b>	\$14,023,000	<b>-1.71%</b>
2017	\$357,278,300	<b>3.50%</b>	\$13,872,100	<b>-1.08%</b>
2018	\$371,284,750	<b>3.92%</b>	\$13,897,100	<b>0.18%</b>
2019	\$389,459,200	<b>4.90%</b>	\$14,629,500	<b>5.27%</b>
2020	\$411,664,700	<b>5.70%</b>	\$15,650,700	<b>6.98%</b>
<b>-Yr. Mean</b>	<b>\$369,604,192</b>	<b>3.56%</b>	<b>\$14,389,967</b>	<b>1.24%</b>
<b>-Yr. Mean</b>	<b>\$390,802,883</b>	<b>4.84%</b>	<b>\$14,725,767</b>	<b>4.14%</b>

The subject location within the City of Petoskey appears to be situated in an area of high demand with little area left for development. Coupled with the unique character and ambiance of the Little Traverse Bay Region would indicate a continued economic trend of stability and increasing property values. There are no apparent nuisances, hazards or other undesirable factors that would adversely affect marketability.



### **COVID-19 Impact on Current Valuations**

The prior market analysis focuses on historical trends before the impact of the COVID crisis began showing up in the numbers. The historical reference is significant in that many market participants believe the commercial real estate (CRE) markets will return to trend – the only question is the depth and duration of the current economic climate. At a minimum, near term economic performance will remain dreadful. Shelter-in-place and stay-at-home executive orders are having a profound impact on GDP with elevated unemployment hurting economic performance and the CRE sector. How bad will things get (depth) and how long will it last (duration) are questions that simply cannot be answered at this point in time. As the crisis evolves, the market will provide clarity.

### **Market Sentiment/Participant Interviews**

While transaction data is limited, we look to market participants (developers, investors, lenders, brokers, other appraisers) as a leading indicator of where the market is currently, and where they believe the market is heading.

### **General Public Market Sentiment**

General public market sentiment is a changing rollercoaster with each passing day. Right now, sentiment is cautious and trying not to overreact, but provide some relief, negotiate in good faith; try and be humane and understand the entire world is in this together. Some countries take two weeks off each year for holiday, and their entire economy doesn't fall apart. The world is not going to take another four-week vacation from large components of consumer-facing and public activities.

Most humans are sequestered in their homes with limited social contact, with reasoned concerns for the health and safety of our families and friends, all the while consuming worldwide coverage and analysis of atypical death rates from an infectious virus not seen in over 100 years.

Market sentiment has been getting better recently as many restrictions have been lifted and tourists are once again heading north. Many owners and investors acknowledge that this summer season will be slow, but rebound in late summer to fall and the following year will be back to normal. While revenue will drop this season, this is only expected to be for a short time and should rebound back to normal. Most developers are continuing their plans for re-development in the City of Petoskey, which is a good sign of a strong market.



## Property Analysis

### Land Description and Analysis

The description is based on our inspection as well as information provided by the assessor's office and the owner of the subject. As previously mentioned, the subject is part of a larger parent site that contains approximately 6,970 SF. The following description is for the entire parent site. The valuation will be for the air rights above a 20 foot wide portion of this parent site.

#### Land Description- Parent Site

Land Area	0.16 acres; 6,900 SF
Source of Land Area	Public Records
Primary Street Frontage	Bay Street - 50 feet
Shape	Rectangular
Topography	Slopes downward to the north
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed
Flood Area Panel Number	2600720005B
Date	October 29, 1982
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

#### Zoning; Other Regulations

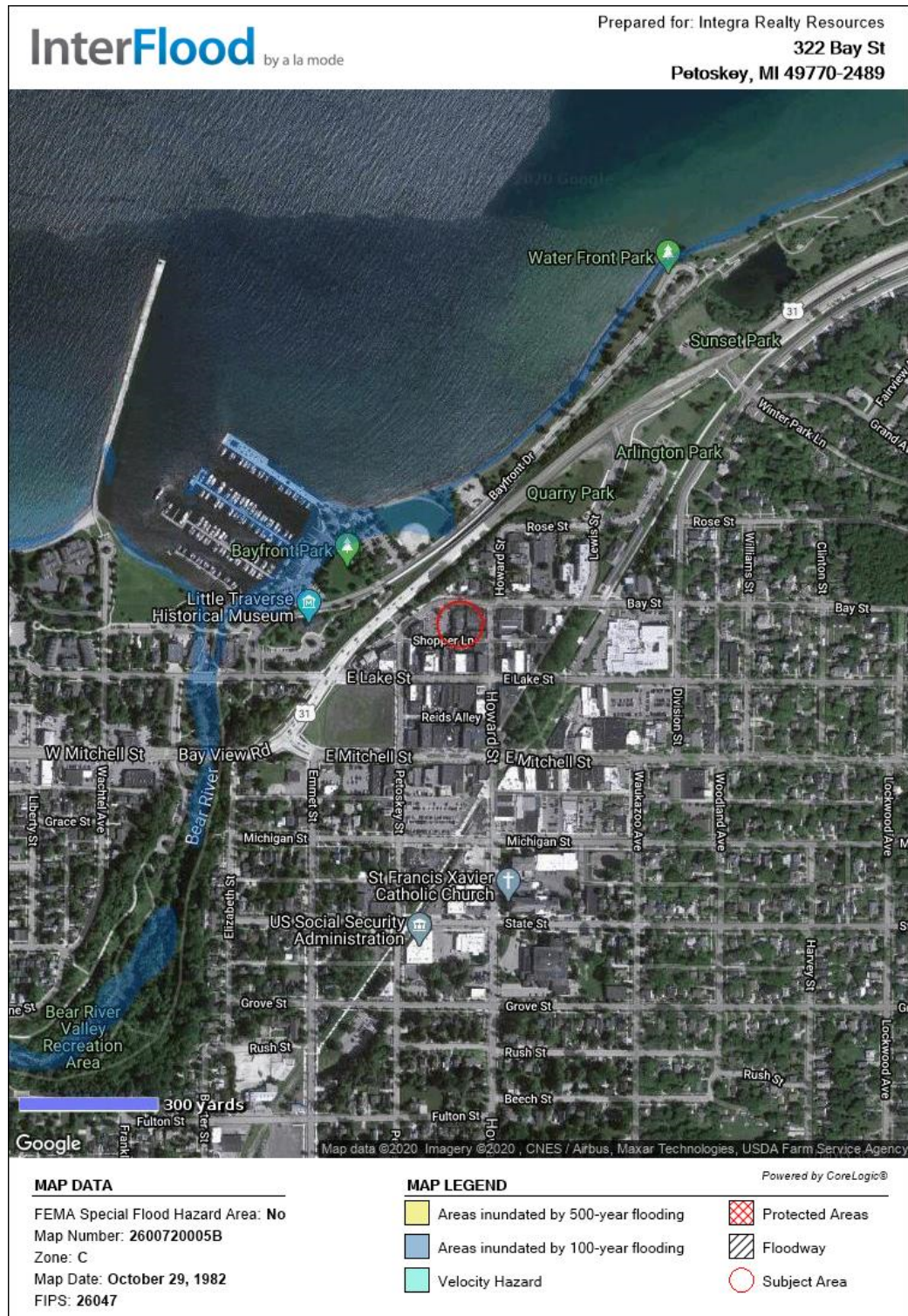
Zoning Jurisdiction	City of Petoskey
Zoning Designation	B-2
Description	Central Business
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Commercial

#### Utilities

Service	Provider
Water	Municipal
Sewer	Municipal
Electricity	Yes
Natural Gas	Yes



## Flood Map





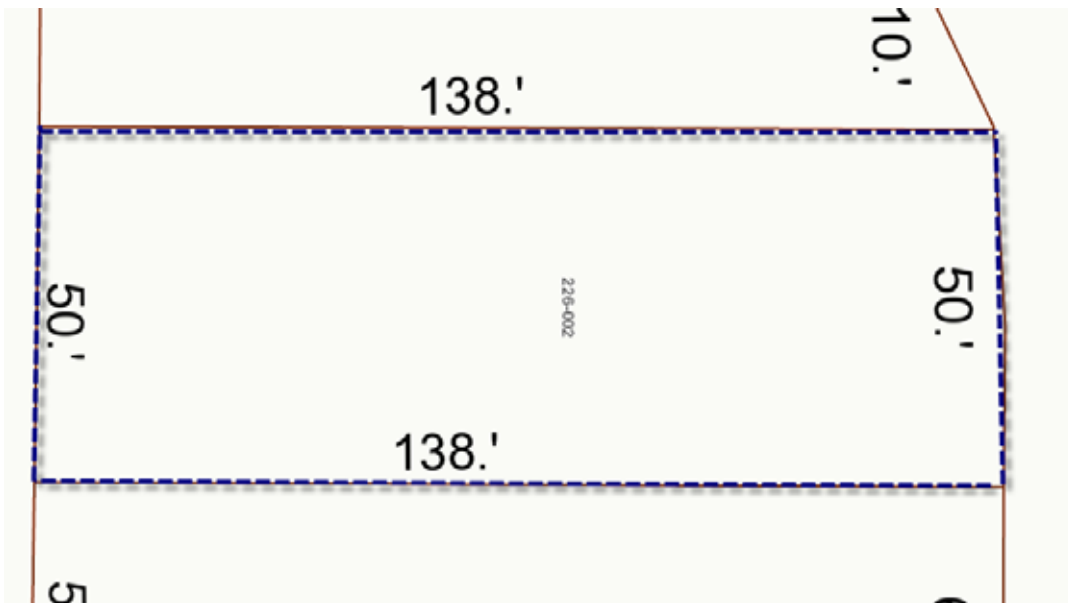
### Zoning Map



The subject is zoned B-2, Central Business District, which allows a structure to be three stories in and can be a maximum of 40 foot in height. There are no setback requirements or parking requirements. It should be noted that most proposed developments in the Central Business District have residential condos or a hotel component and the developers have incorporated underground or first floor parking into their plans.

ZONING DISTRICT	Minimum Lot Size Per Unit		Maximum Height of Structure		Minimum Yard Setback (Per Lot in Feet)			Maximum Lot Area Coverage (all buildings)
	Area in Square Feet	Width in Feet	in Stories	in Feet	Front	Side Yards	Rear	
B-2 Central Business			3	40	0	0	0	

### Plat Map





**Easements, Encroachments and Restrictions**

There are various utility and access easements that are typical for a property of this type. Such exceptions would not appear to have an adverse effect on value. Our valuation assumes no adverse impacts from easements, encroachments or restrictions and further assumes that the parent site has clear and marketable title.

**Conclusion of Land Analysis**

Overall, the physical characteristics of the parent site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. The parent site slopes downward from south to north approximately 10 feet, which could be beneficial for underground parking. We are not aware of any particular restrictions on development, if the site were vacant and ready for development.





View of proposed easement



View looking southeast



Easterly view



Southerly view



## Real Estate Taxes

In the State of Michigan, the following three assessed values are carried on the tax roll for any property:

1. State Equalized Value (SEV)
2. Capped Value (CV)
3. Taxable Value (TV).

The TV is established as the lower of the SEV and CV. The SEV, which is often referred to as the assessed value, is established for property tax purposes and is theoretically equal to 50% of the local assessor's opinion of market value or true cash value (TCV). The SEV for any given year is set as of December 31 of the preceding year and is to be similar to assessments for similar property. The CV results from a constitutional provision for a cap on assessment increases. The increase is limited the rate of inflation in any year (based on the Consumer Price Index) or an overall constitutional limit of 5% per year, whichever limitation results in the lowest assessment. This limitation continues until a property is sold or transferred as defined by assessment regulations whereupon the cap provision is suspended.

A total millage rate is applied to taxable value resulting in the annual tax burden for a property. Municipalities and counties are given the authority to levy property taxes at varying levels as well as there being a provision for a state-levied property tax for education purposes. Local school districts have the authority to levy, after voter approval, a non-homestead tax of up to an additional 18 mills and, in limited instances, an enhancement tax. The tax rate indicated in the following table is a summation of the levies of the various taxing bodies.

As the parent site is owned by the City of Petoskey and the site is tax-exempt and there is no assesment.



## Highest and Best Use

### Process

Before a property can be valued, an opinion of highest and best use must be developed for the parent site, both as if vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

### Highest and Best Use As If Vacant

#### Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. The site is large enough for development and the physical characteristics of the site result in functional utility suitable for a variety of uses.

#### Legally Permissible

The site is zoned B-2. Permitted uses include most commercial office and residential uses. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Surrounding land uses are mixed use in nature. Most buildings contain retail use on the ground floor, office or residential use on the second and third floors.

#### Financially Feasible

Based on our analysis of the market, there is currently adequate demand for commercial and residential use in the subject's area. It appears that a newly developed commercial/residential use on the site would have a value commensurate with its cost. Therefore, a mixed use of commercial and residential use is considered to be financially feasible.

#### Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than a mixed use of commercial and residential use. Accordingly, it is our opinion that a mixed use of commercial and residential use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

### Conclusion

Development of the site for a mixed use of commercial and residential use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.



**As Improved**

The parent site is developed with a municipal parking lot. The parent sites's current use is legal and conforming. As previously mentioned, according to news articles, the city website and planning and zoning records, parking appears to be at a premium in Petoskey. The subject is a municipal parking lot known as the Saville Lot, consisting of 65 spaces. This is a metered lot with a three-hour maximum time that is \$1.00 per hour, Monday through Saturday. Becky Goodman, the Downtown Director for the City of Petoskey, reported that the annual revenue for the Saville parking lot is estimated at \$37,000 or \$569 per space.

There has been ongoing discussions about building a multi-story parking deck, but the cost of constructing the parking deck has been an impediment for the proposal. A parking deck cost ranges from \$25,000 to \$35,000 per space to construct. With the current an annual revenue of \$569 per space, without state or federal aid, it is unlikely that a parking deck would be constructed in the downtown district. Due to the lack of parking, it is unlikely that any city owned parking lot would be sold for re-development into additional commercial building, due to the current lack of parking. The subject is part of the Saville Parking Lot, which primarily serve the businesses along E. Lake Street, the most desirable commercial are in the downtown district. If the parent site were to be sold for re-development, this district would suffer, as almost all of the buildings have no on-site parking. We also contacted several municipal employees who reported that selling the parent site parking lot for re-development is not an option for the site at this time.

Based on our analysis, the current as improved highest and best use of the parent site is for continued use as a parking lot.

**Most Probable Buyer**

Taking into account the size and characteristics of the property, the likely buyer is a local investor that would continue to operate the parent site for parking, until a or several multi-story parking garages are constructed to satisfy the demand for parking.



# Valuation

## Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized



## Sales Comparison Approach

The first step in determining the value of the air rights is to determine the value of the underlying land of the parent parcel. In order to derive an opinion of the value of the parent parcels land, assuming the property is vacant and available for development to its highest and best use, we have assembled sales data for redevelopment sites in the area. After examining available sales data, we have selected several land sale transactions as most comparable for this analysis. After an adjustment process, which compensates for significant differences between these sales and the parent parcel; these sales provide an indication of the parent parcel's underlying land value.

In analyzing the individual sales, the price per square foot of developable building area was selected as the operative unit of comparison. Land within these districts is commonly valued on a price per SF of developable building area basis. This is particularly true when zoning make it possible to construct vertically and maximize building area on small parcels. These types of parcels in urbanized areas are generally valued on their development potential. Intense zoning allows for vertical construction density that is best measured in the price per square foot of potential building area unit rate. The comparable sales are analyzed on this basis and the range in unit rates appears to be relatively uniform. Therefore, for the purposes of this analysis, the land is valued on a price per SF of gross potential building area that can be developed on a site.

In order to arrive at our opinion of the value of the air rights or easement, we have utilized the "Across-the-Fence" methodology ("ATF"). This method is the preferred technique for valuing small strips of land that are not functional without being part of a larger parcel, such as the subject. The premise of the ATF methodology is that the value of the land comprising an attached parcel is directly related to the value of the land through which it passes. For the air right or easement, we applied our opinion of the across-the-fence value for the parent parcel to the permanent air right or easement area. We then applied a discount to this figure to reflect that the easement does not represent full fee simple interest, to derive our opinion of the value of the permanent easement.

The subject is part of a parent site that contains a gross land area of 6,900 SF. The zoning does not require any setbacks. Thus, the buildable envelope for parent site is 6,900 SF. This zoning district allows for 3 stories or 20,700 SF of commercial development and due to the sloping topography, there is a possibility of partial underground parking, which could bring the total building area to a greater amount. For purposes of this analysis a conservative estimate of three stories will be utilized. Therefore, (6,900 feet x 3 stories) 20,700 SF of building area could be built on the parent site.

On the next page is a Comparable Land Sales Map identifying the relative location of each land sale; the following Summary of Comparable Land Sales displays the data pertinent to this analysis. The Addendum provides additional data about the comparable land sales.

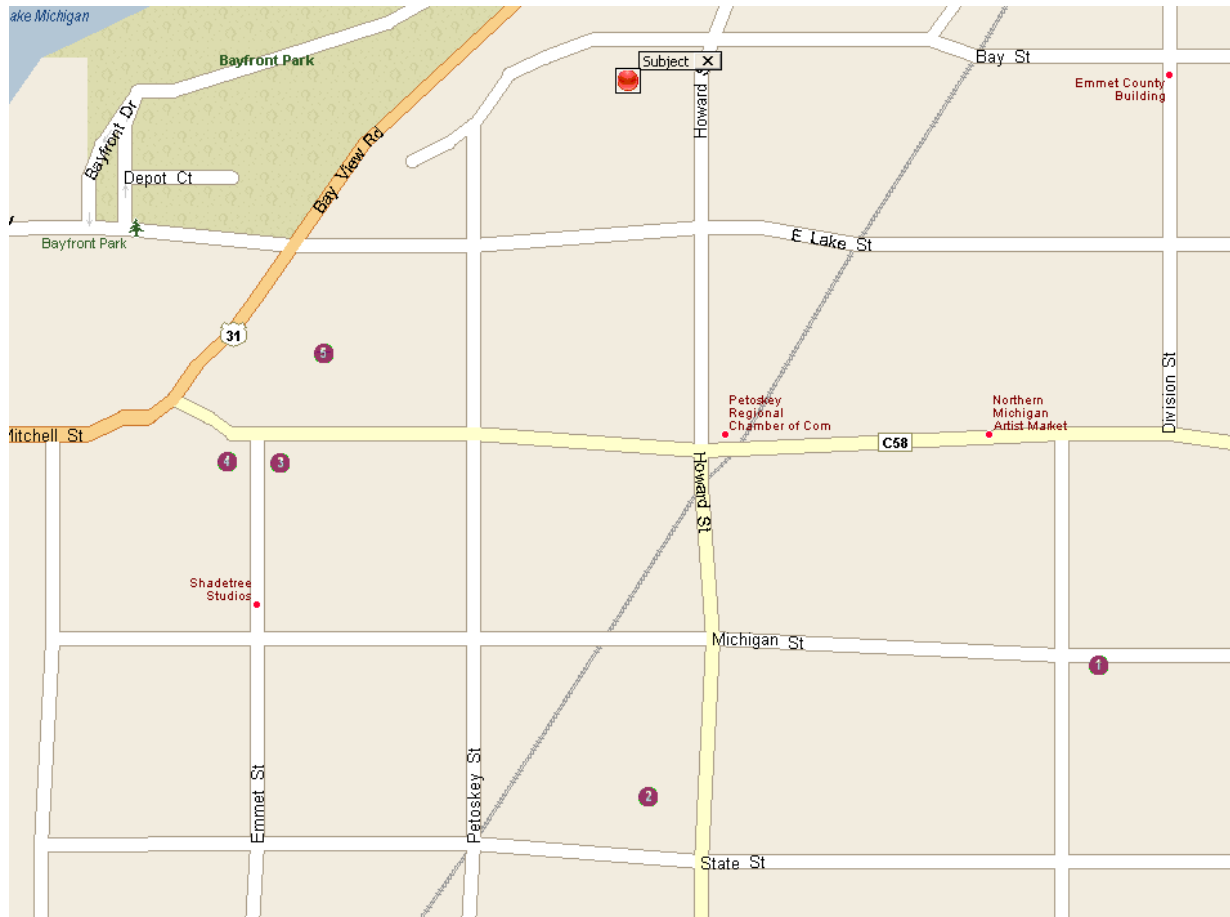


## Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	\$/Bldg. Area	\$/SF Land	\$/Acre
1	Redevelopment Site of Former Church 502 Michigan St. Petoskey Emmet County MI <i>Comments: The property is under contract for \$400,000. The developer plans to redevelop and retain portions of existing 12,000 SF structure. The proposed development is for 6 - 8 condominium units. Demolition costs are not included in costs as portions of building will be utilized. This zoning district allows construction of three stories, with small setback requirement. This site contains 7,7448 SF, utilizing the a 90% site area coverage and a potential three story structure results in a buildable area of 22,345 SF that could be constructed on the site. Therefore, the sales price of \$400,000 equates to \$17.90/SF of developable building area.</i>	Jun-20 Offer Pending	\$400,000	8,276 0.19	\$17.90	\$48.33	\$2,105,263
2	Former Petoskey News Review 319 State St. Petoskey Emmet County MI <i>Comments: The site was purchased in May 2019 and immediately placed on the market for sale for \$1,300,000. Multiple offers and bidding ensued, bringing in an excepted offer of \$1,900,000. The demolition of a 22,000 SF building is estimated at \$100,000. This zoning district allows construction of three stories, with some setback requirement. This site contains 53,578 SF, utilizing 90% developable site area and a potential three story structure results in a buildable area of 144,661 SF that could be constructed on the site. Therefore, the sales price of \$2,000,000 equates to \$13.83/SF of developable building area.</i>	Jun-20 Offer Pending	\$2,000,000	53,579 1.23	\$13.83	\$37.33	\$1,626,016
3	Vacant Land 202 E. Mitchell St. Petoskey Emmet County MI <i>Comments: The property was under contract for \$850,000 for the proposed development of a three-story building with partial first floor and underground parking. The transaction ultimately did not occur and it is back on the market at \$850,000. A broker familiar with the property reported that the parcel will likely sell for \$700,000. This zoning district allows construction of three stories, with no setback requirement. This site contains 13,503 SF, utilizing the full site area and a potential three story structure results in a buildable area of 40,509 SF that could be constructed on the site. Utilizing a projected sales price sales price of \$700,000 equates to \$17.20/SF of developable building area.</i>	Apr-20 Fell Out of Escrow	\$700,000	13,504 0.31	\$17.28	\$51.84	\$2,258,065
4	Vacant Land 112, 116, 118 & 124 E. Mitchell St. Petoskey Emmet County MI <i>Comments: The land is the former site of a Family Video shop. Proposed development of a three-story structure; 1st floor parking, 2nd &amp; 3rd floor apartments. 20 Units are planned at approximately 1,200 SF each. The site has extensive views of Lake Michigan. Excellent frontage/exposure along US-31. This zoning district allows construction of three stories, with no setback requirement. This site contains 29,620 SF, utilizing the full site area and a potential three story structure results in a buildable area of 88,860 SF that could be constructed on the site. Therefore, the sales price of \$1,260,000 equates to \$14.18/SF of developable building area.</i>	Oct-19 Closed	\$1,260,000	29,621 0.68	\$14.46	\$42.54	\$1,852,941
5	Petoskey Pointe (Pit) 200 East Lake Street City of Petoskey Emmet County MI <i>Comments: This zoning district allows construction of three stories, with no setback requirement. This site contains 91,693 SF, utilizing the full site area and a potential three story structure results in a buildable area of 275,079 SF that could be constructed on the site. Therefore, the sales price of \$2,300,000 equates to \$8.36/SF of developable building area.</i>	Jan-18 Closed	\$2,300,000	91,693 2.11	\$8.95	\$25.08	\$1,092,637
<b>Subject</b>				6,900	Central		
Air Right Easement				0.16	Business		
Petoskey, MI							



## Comparable Land Sales Map







Sale 1  
Redevelopment Site of Former Church



Sale 2  
Former Petoskey News Review



Sale 3  
Vacant Land



Sale 4  
Vacant Land



Sale 5  
Petoskey Pointe (east)



### Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below. The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factors	
Effective Sale Price	Accounts for atypical economics of a transaction, such as demolition cost, expenditures by the buyer at time of purchase, or other similar factors. Usually applied directly to sale price on a lump sum basis.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale, related parties transaction.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on sale price; surrounding land use influences.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts.
Size	Inverse relationship that often exists between parcel size and unit value.
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.

When considering market conditions, we note that the sales took place from January 2018 to June 2020. Market conditions up through the introduction of COVID-19 conditions have been generally strengthening. The adjustment grid accounts for this trend with adjustments over this period through March 2020. Based on discussions with developers and local estate brokers in this market, all indicate that this market is still very strong. Most indicate that this season will be slower, however all seem to think that this is a short term situation and all are still moving forward with proposed developments. Therefore, no downward COVID adjustment will be applied in this analysis.



The following table summarizes the adjustments we make to each sale.

<b>Land Sales Adjustment Grid</b>						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	Air Right Easement	Redevelopment Site of Former Church	Former Petoskey News Review	Vacant Land	Vacant Land	Petoskey Pointe (Pit)
Address	322 Bay Street	502 Michigan St.	319 State St.	202 E. Mitchell St.	112, 116, 118 & 124 E. Mitchell St.	200 East Lake Street
City	Petoskey	Petoskey	Petoskey	Petoskey	Petoskey	City of Petoskey
Sale Date		Jun-20	Jun-20	Apr-20	Oct-19	Jan-18
Sale Status		Offer Pending	Offer Pending	Fell Out of Escrow	Closed	Closed
Sale Price		\$400,000	\$1,900,000	\$700,000	\$1,250,000	\$2,300,000
Price Adjustment		—	—	—	—	—
Description of Adjustment					\$10,000 estimate of demolition of existing building	
Effective Sale Price		\$400,000	\$2,000,000	\$700,000	\$1,260,000	\$2,300,000
Square Feet	6,900	8,276	53,579	13,504	29,621	91,693
Acres	0.16	0.19	1.23	0.31	0.68	2.11
Building Square Feet	20,700	22,345	144,661	40,509	88,860	275,079
Zoning Code	B-2	O-5	B-2B	B-2	B-2	B-2
<b>Price per Building Square Foot</b>		<b>\$17.90</b>	<b>\$13.83</b>	<b>\$17.28</b>	<b>\$14.18</b>	<b>\$8.36</b>
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		—	—	—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		—	—	—	—	—
Conditions of Sale		Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
% Adjustment		—	—	—	—	—
Market Conditions	6/2/2020	Jun-20	Jun-20	Apr-20	Oct-19	Jan-18
Annual % Adjustment	3%	—	—	—	2%	7%
COVID Adjustment	0%	0%	0%	0%	0%	0%
Total Market Condition Adjustment		—	—	—	2%	7%
<b>Cumulative Adjusted Price</b>		<b>\$17.90</b>	<b>\$13.83</b>	<b>\$17.28</b>	<b>\$14.46</b>	<b>\$8.95</b>
Location		10%	—	—	-10%	-20%
Access/Exposure		-10%	-10%	-10%	-10%	-20%
Size		—	10%	—	10%	30%
Shape and Topography		-10%	-5%	-10%	-10%	-10%
Zoning		10%	—	—	—	—
Net \$ Adjustment		\$0.00	-\$0.69	-\$3.46	-\$2.89	-\$1.79
Net % Adjustment		0%	-5%	-20%	-20%	-20%
<b>Final Adjusted Price</b>		<b>\$17.90</b>	<b>\$13.13</b>	<b>\$13.82</b>	<b>\$11.57</b>	<b>\$7.16</b>
Overall Adjustment		0%	-5%	-20%	-18%	-14%
<b>Range of Adjusted Prices</b>		<b>\$7.16 - \$17.90</b>				
<b>Average</b>		<b>\$12.72</b>				
<b>Indicated Value</b>		<b>\$13.00</b>				

### Land Value Conclusion

Prior to adjustment, the sales reflect a range of \$8.36 - \$17.90 per building square foot. After adjustment, the range is to \$7.16 - \$17.90 per building square foot, with an average of \$12.72 per building square foot.

Comparable #1 represents the pending sale of a former church at \$400,000. The location of this comparable is just outside the central business district and this comparable is adjusted upward for this inferior location. This comparable has frontage on two streets, thus the access exposure of this comparable is superior to the subject's, which has excess exposure along one street. This comparable



has a shape that is mostly square which is superior to the parent parcels rectangular shape, thus is adjusted downward. This comparable is zoned OS which is inferior to the subject's B-2 zoning and is adjusted upward. This comparable is at the upper end of the adjusted range of the comparables, however, it should be noted that the developer may retain portions of the structure that are situated on the site and incorporate them into the plan redevelopment of the property, thus resulting in a higher unit rate. Further, this pending sale has been pending for a long time and sources indicate that the deal may fall apart and be back on the market at a lower price.

Comparable No 2 represents the pending sale of the former Petoskey-News Review Site. The broker reported that the property was listed for sale at \$1,300,000 and he received multiple offers on the site and bidding ensued which drove the price up to \$1,900,000. The particular sale indicates the strong demand for redevelopment sites in Downtown Petoskey. This comparable is "L" shaped which is superior to the subject's rectangular shape but not as superior as a square shaped parcel, thus is adjusted downward. This comparable has frontage on two streets, thus the access exposure of this comparable is superior to the subject's, which has excess exposure along one street. This comparable has a shape that is mostly square which is superior to the subject's rectangular shape, thus is adjusted downward.

Comparable No 3 was under contract for \$850,000 and was proposed for a three-story building with partial first floor retail and underground parking. The deal fell apart in April 2020 and the property is back on the market. A broker that is very familiar with the property indicated that the selling price of this parcel would be around \$700,000, which will be utilized as the price for this parcel. This comparable has frontage on two streets, thus the access exposure of this comparable is superior to the subject's, which has excess exposure along one street. This comparable has a shape that is mostly square which is superior to the subject's rectangular shape.

Comparable No. 4 is the sale of the former Family Video development. The purchaser just received approval for the development of a three-story structure with ground floor parking and second and third floor apartments. This comparable is located at the main entrance to Downtown Petoskey and visibility from US-31, thus this location is judged to be superior and is adjusted downward. This comparable has frontage on two streets, thus the access exposure of this comparable is superior to the subject's, which has excess exposure along one street. This comparable is larger than the subject thus is adjusted upward. This comparable has a shape that is mostly square which is superior to the subject's rectangular shape.

Comparable No. 5 represents the sale which is commonly referred to as the "pit" or "hole". This location is likely considered one of the best locations within the Downtown District and is adjusted downward. The comparable has frontage and exposure along four streets thus is adjusted downward. The size is considerably larger thus is adjusted upward. This comparable has a shape that is mostly square which is superior to the subject's rectangular shape, thus is adjusted downward. This comparable is at the lower end of the range however, the size of the site is considerably larger than the subject and would be expected to be at the low end of the range.



One other sale deemed mentioning is adjacent to the subject. A developer who is acquiring the subject's air rights) is purchasing a 13,131 SF site that is improved with several older buildings for \$2,000,000. The developer will demolish the buildings and construct a new 39,437 SF 50-room hotel development. Due to the sloping topography of the site, the developer is able to construct a lower level parking deck consisting of 11,959, which brings the buildable area to 51,396 SF. The developer reported that estimated demolition costs are \$142,000. Therefore, the total cost for the land is \$2,142,000 or \$41.67 per developable SF of building area. This unit rate is considerably above the adjusted and unadjusted unit rates of the comparables and is judged to be an aberration, but likely higher due to the density of development and the demand for lodging within the business district, hence a premium may have been paid to acquire this site.

It is concluded that a reasonable unit rate for the 6,900 SF parent site or 20,700 SF of potential developable area is \$13/SF of developable area. Therefore, the value of the entire parent site is concluded to be ( $\$13/\text{SF} \times 20,700 \text{ SF}$ ) \$270,000 rounded. The air right easement would be for a 20 foot wide by 138 foot long area or 2,760 SF on each of the upper two floors or 5,520 SF total as the following photograph illustrates.





In order to derive our opinion of the value for the permanent easement, we applied our opinion of the parent across-the-fence land value of \$13/SF to the area of the permanent easement area of 5,520 SF. Based on this calculation, the value of the permanent easement, prior to applying a discount, is (\$13/SF x 5,520 SF) \$71,760.

As the proposed acquisition is in the form of an easement and not of the fee simple estate, the value ascribed to this property needs to be discounted to recognize the shared use concept as the property owner will retain the right to use this area consistent with its intended use and current use (surface parking). In selecting an appropriate discount, recognition must be given to the easement rights.

The affect that the proposed permanent easement will have on the property has been reviewed. Given the placement of the proposed easement on the property, above the surface parking lot, it is judged that there will not be a significant diminution in value to the underlying land of the entire property on a unit rate basis as a result of the acquisition. Further, the intended use of the easement/air right space is to remain vacant (undeveloped) so as to allow ingress/egress, fire safety access and natural light preservation. As previously mentioned, it is unlikely that the City would sell the site for redevelopment due to the need for the parking lot that serves the surrounding business. While it is possible that a multi-story parking garage could be built, it is unlikely due to the high cost and that another lot, the Darling lot has been discussed as the better location for a parking deck location. Ultimately, there is little if any disruption to the current use of functionality of the primary site and the easement will have little impact on the fee ownership rights of the Subject parking parcel

Although discounts vary depending on the type of easement and the degree of the obtrusiveness of the easement, it is generally recognized that land subject to easements of this type are generally in the area of 80% to 90% of the value of the fee simple interest. As it relates to the value of the subject air rights located within the proposed easement, it is concluded that it has a value equal to 80% of its fee simple value estimate. Therefore, in order to reflect that the subject property owner will retain the right to use the ground floor area and the easement will not have a significant detrimental effect on the site, we have discounted the value of the permanent easement by 20%, or \$14,352. After we apply the discount, our opinion of the value of the permanent easement is \$57,408, rounded to \$57,000

#### Land Value Conclusion

Indicated Value per Building Square Foot	\$13.00
Potential Build SF of Total Site	<u>20,700</u>
Indicated Value	\$269,100
Easement Value Using Across the Fence Method	
Easement Area	5,520
Indicated Value per Building Square Feet	\$13.00
Indicated Value	\$71,760
Discount for Easement	<u>20%</u>
	<u>\$14,352</u>
Total Adjustments	
Indicated Value	\$57,408
Rounded	\$57,000



## Reconciliation and Conclusion of Value

As discussed previously, we use only the sales comparison approach in developing an opinion of value for the subject. The cost and income approaches are not applicable, and are not used.

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinion follows:

### Value Conclusion

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value of Air Rights	Leasehold	June 2, 2020	\$57,000

### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. None

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

As of the date of value, the economy (globally, nationally, and locally) was in a state of rapid transition with a widespread expectation of the imminent onset of a significant recession. The outbreak of COVID-19 (coronavirus disease of 2019) in China was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. Some market deterioration had occurred shortly before this date, but the declaration by the WHO soon led to municipal and statewide orders to "shelter in place," causing widespread closures of businesses and a massive disruption to general commerce. The status of economic conditions is changing rapidly, creating great uncertainty in the markets. The value expressed herein represents our opinion based on the best available data reflective as of the date of value. While values are always subject to change over time, we caution the reader that in the current economic climate, market volatility creates the potential for a more significant change in value over a relatively short period of time.

## Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market value stated previously, it is our opinion that the probable exposure time is 12 months.



**Marketing Period**

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. We estimate the subject's marketing period at 12 months.



## Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Bradley G. Conkey made a personal inspection of the property that is the subject of this report. Anthony Sanna, MAI, CRE, FRICS, has not personally inspected the subject.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, Anthony Sanna, MAI, CRE, FRICS, completed the continuing education program for Designated Members of the Appraisal Institute.



15. In Michigan, appraisers are required to be licensed/certified and are regulated by the Michigan Department of Licensing and Regulatory Affairs, 611 West Ottawa, P. O. Box 30018, Lansing, Michigan, 48909.



Bradley G. Conkey  
Certified General Real Estate Appraiser  
Michigan Certificate # 1201003382



Anthony Sanna, MAI, CRE, FRICS  
State Certified General Real Estate Appraiser  
Michigan Certificate # 1201001324



## Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.



6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.



17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. IRR - Detroit, Integra Realty Resources, Inc., and their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. IRR - >>Detroit>> is an independently owned and operated company. The parties hereto agree that Integra shall not be liable for any claim arising out of or relating to any appraisal report or



- any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR - >>Detroit>>. In addition, it is expressly agreed that in any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.
25. IRR - Detroit is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
28. The appraisal is also subject to the following:



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**Extraordinary Assumptions and Hypothetical Conditions**

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The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. None

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

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## **Addendum A**

### **Appraiser Qualifications**



# Bradley G. Conkey

## Experience

Mr. Conkey, Director, is a Certified General Real Estate Appraiser who has been actively involved with appraisal and advisory services since 1991.

Mr. Conkey has an extensive background working on an array of commercial real estate including, but not limited to, single-and multi-tenant retail centers, automotive dealerships, automotive repair facilities, schools, distribution warehouses, truck terminals, ground leases, industrial buildings, office buildings, restaurants, land development, self-storage facilities, refrigerated buildings, railroad corridors, billboards, cellular towers, mixed-used facilities, vacant land and various special facilities. Mr. Conkey also has extensive experience as an expert witness in litigation support in partnership disputes, divorce proceedings, and cases involving the Michigan Tax Tribunal.

## Licenses

Michigan, Certified General Real Estate Appraiser, 1201003382, Expires July 2021  
Ohio, Certified General Real Estate Appraiser, 2018003283, Expires September 2020  
Michigan, Real Estate Salesperson, 6501373079

## Education

Bachelor of Science with a concentration in real estate, Arizona State University, Tempe, Arizona.  
Associate of Arts Degree in General Business Administration, Macomb Community College, Michigan.

Successfully completed numerous real estate related courses and seminars, including:

- Real Estate Appraisal Principles/Procedures
- Basic Valuation Procedures
- Standards of Professional Practice A, B, C
- Capitalization Theory & Techniques, Part A
- Advanced Income Capitalization
- Advanced Applications
- Appraising from Blueprints & Specifications
- National USPAP & Michigan Appraisal Law
- Michigan Real Estate Fundamentals
- REO & Foreclosures
- Appraisal Trends
- Expert Witness for Commercial Appraisers

## Qualified Before Courts & Administrative Bodies

Qualified expert witness before the Michigan Tax Tribunal, Macomb and Oakland County Circuit Courts, planning boards, commissioner hearings, Municipal and County Tax Boards

## Miscellaneous

- Former Councilperson and Mayor, City of Sylvan Lake
- Former Board of Review and Planning Commission Chairman, City of Sylvan Lake

**Integra Realty Resources**  
**Detroit**

400 West Maple Road  
Suite 100  
Birmingham, MI 48009

T 248-540-0040 ext 127  
F 248-540-8239

irr.com

**bgconkey@irr.com - 248-979-9666**





# Anthony Sanna, MAI, CRE, FRICS

## Experience

Executive Director with Integra Realty Resources – Detroit. With over 20 years of real estate valuation and consulting experience in the Metro Detroit area, he is actively engaged in a wide range of commercial, industrial and vacant land assignments. The firm completed an extensive list of large scale assignments including major regional malls, numerous Class A office buildings and large scale manufacturing facilities. Special purpose properties include a wide range of properties such as golf courses, self-storage facilities, movie theatres, military bases, hotels, and marinas. Most recently, appraisals have been provided to financial institutions in relation to loan work outs, asset disposition and foreclosure proceedings.

Mr. Sanna has recognized experience in tax appeals, condemnation and litigation oriented appraisals. Additionally, he provides corporate clients and institutional investors an array of real estate consulting services on all classes of property.

Clients served include life insurance companies, pension funds and pension fund advisors, banks and financial institutions, conduits, developers and investors, law firms, hospitals, corporations and government.

## Professional Activities & Affiliations

Appraisal Institute, Member (MAI)  
Counselor of Real Estate (CRE)  
Royal Institute of Chartered Surveyors, Fellow (FRICS)  
Board of Director: Integra Realty Resources - 2005-2008 and 2012-Current  
Board of Director: Commercial Board of Real Estate - Michigan Chapter

## Licenses

Michigan, State Certified General Real Estate Appraiser, 1201001324, Expires July 2021

## Education

Bachelor of Science (Business Administration) Wayne State University

Appraisal Institute Courses:

- Principals of Real Estate Appraisal
- Procedures of Real Estate Appraisal
- Uniform Standards of Professional Practice
- Basic Income Capitalization
- Advanced Income Capitalization
- Report Writing
- Advanced Applications/Case Studies

## Qualified Before Courts & Administrative Bodies

Qualified expert witness before the Michigan Tax Tribunal, various Circuit Courts, planning boards, commissioner hearings and County Tax Boards.

**Integra Realty Resources**  
**Detroit**

400 West Maple Road  
Suite 100  
Birmingham, MI 48009

T 248-540-0040  
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[irr.com](http://irr.com)





GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
BUREAU OF PROFESSIONAL LICENSING

N928288

CERTIFIED GENERAL APPRAISER  
LICENSE

BRADLEY GUY CONKEY

LICENSE NO.  
1201003382

EXPIRATION DATE  
07/31/2021

AUDIT NO  
3416222

THIS DOCUMENT IS DULY ISSUED  
UNDER THE LAWS OF THE STATE  
OF MICHIGAN

GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
BUREAU OF PROFESSIONAL LICENSING

P026037

CERTIFIED GENERAL APPRAISER  
LICENSE

ANTHONY SANNA

LICENSE NO.  
1201001324

EXPIRATION DATE  
07/31/2021

AUDIT NO  
3430800

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OF MICHIGAN



## About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

*Local Expertise...Nationally!*

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## **Addendum B**

### **Property Information**



**312 BAY ST** PETOSKEY, MI 49770 (Property Address)  
Parcel Number: 52-19-05-226-002

No Images Found

**Property Owner:** CITY OF PETOSKEY

**Summary Information**

- Assessed Value: \$0 (Taxable Value: \$0)
- Property Tax information found

#### Owner and Taxpayer Information

<b>Owner</b>	CITY OF PETOSKEY 101 E LAKE ST PETOSKEY, MI 49770	<b>Taxpayer</b>	SEE OWNER INFORMATION
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#### General Information for Tax Year 2020

<b>Property Class</b>	EXEMPT COUNTY, CITY, TWP	<b>Unit</b>	52 CITY OF PETOSKEY
<b>School District</b>	PETOSKEY	<b>Assessed Value</b>	\$0
<b>MAP #</b>	No Data to Display	<b>Taxable Value</b>	\$0
<b>USER NUMBER IDX</b>	0	<b>State Equalized Value</b>	\$0
<b>USER ALPHA 1</b>	Not Available	<b>Date of Last Name Change</b>	05/12/2016
<b>USER ALPHA 3</b>	Not Available	<b>Notes</b>	Not Available
<b>Historical District</b>	Not Available	<b>Census Block Group</b>	Not Available
<b>USER ALPHA 2</b>	Not Available	<b>Exemption</b>	No Data to Display

#### Principal Residence Exemption Information

**Homestead Date** No Data to Display

Principal Residence Exemption	June 1st	Final
2020	0.0000 %	0.0000 %

#### Previous Year Information

Year	MBOR Assessed	Final SEV	Final Taxable
2019	\$0	\$0	\$0
2018	\$0	\$0	\$0
2017	\$0	\$0	\$0

#### Land Information

<b>Zoning Code</b>	COP B-2	<b>Total Acres</b>	Not Available
<b>Land Value</b>	Not Available	<b>Land Improvements</b>	Not Available
<b>Renaissance Zone</b>	No	<b>Renaissance Zone Expiration</b>	No Data to Display
<b>ECF Neighborhood</b>	Not Available	<b>Date</b>	Not Available
<b>Lot Dimensions/Comments</b>	Not Available	<b>Mortgage Code</b>	Not Available
		<b>Neighborhood Enterprise Zone</b>	No

Lot(s)	Frontage	Depth
No lots found.		
<b>Total Frontage: 0.00 ft</b>		<b>Average Depth: 0.00 ft</b>

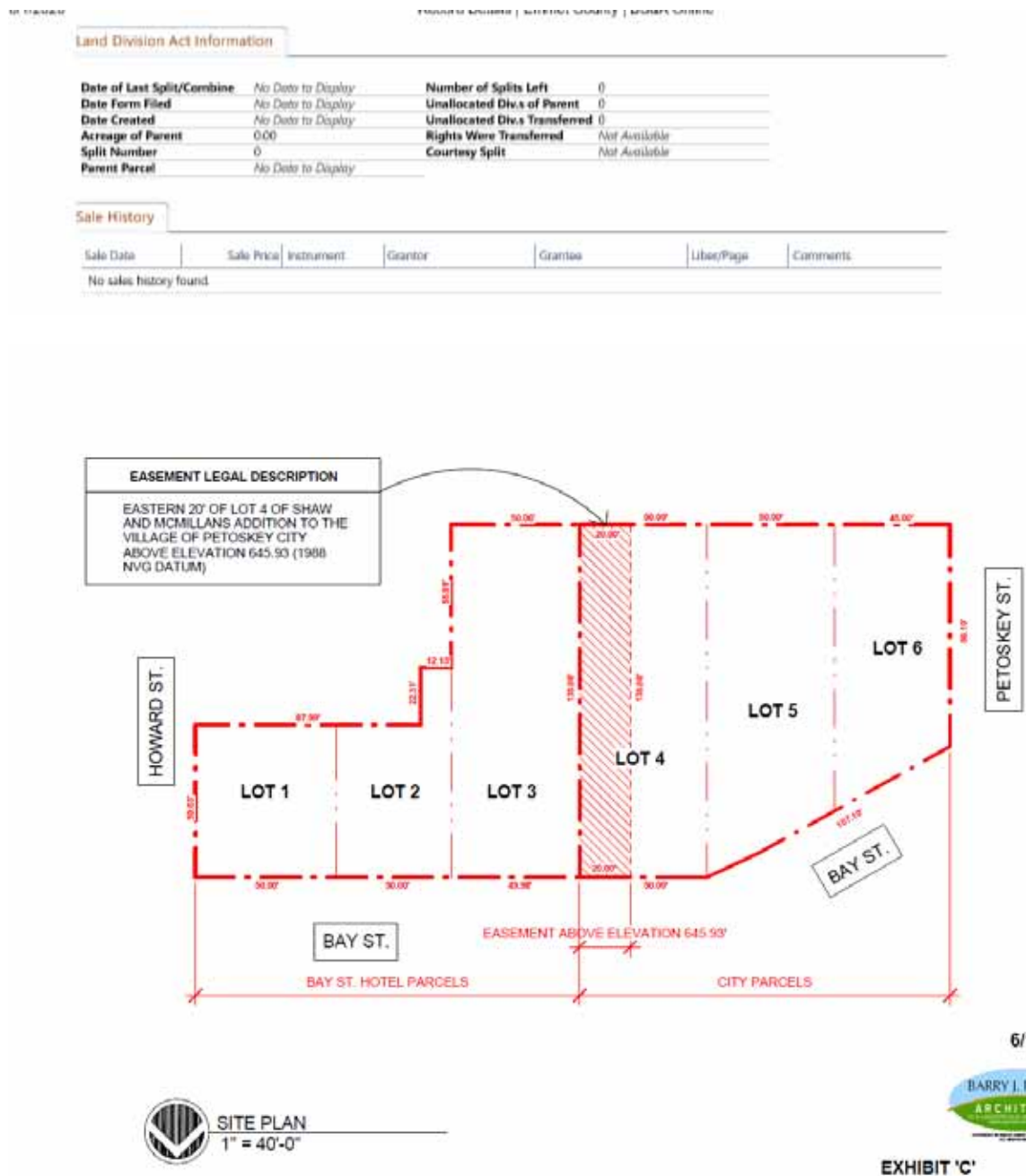
#### Legal Description

SHAW & MC MILLANS ADDITION LOT 4 BLK B, SECTION 6, T34N, R5W.

#### Comments

USER/PAGE HISTORY:







Proposed Hotel

# BAY STREET DEVELOPMENT

322 BAY STREET & 200 HOWARD STREET  
PETOSKEY, MICHIGAN 49770

DEVELOPER: MAIN DOCK 7271  
3660 AURORA  
PETOSKEY, MI 49770

ARCHITECT: BARRY J. POLZIN ARCHITECTS  
101 N LAKESHORE BLVD  
MARQUETTE, MI 49855

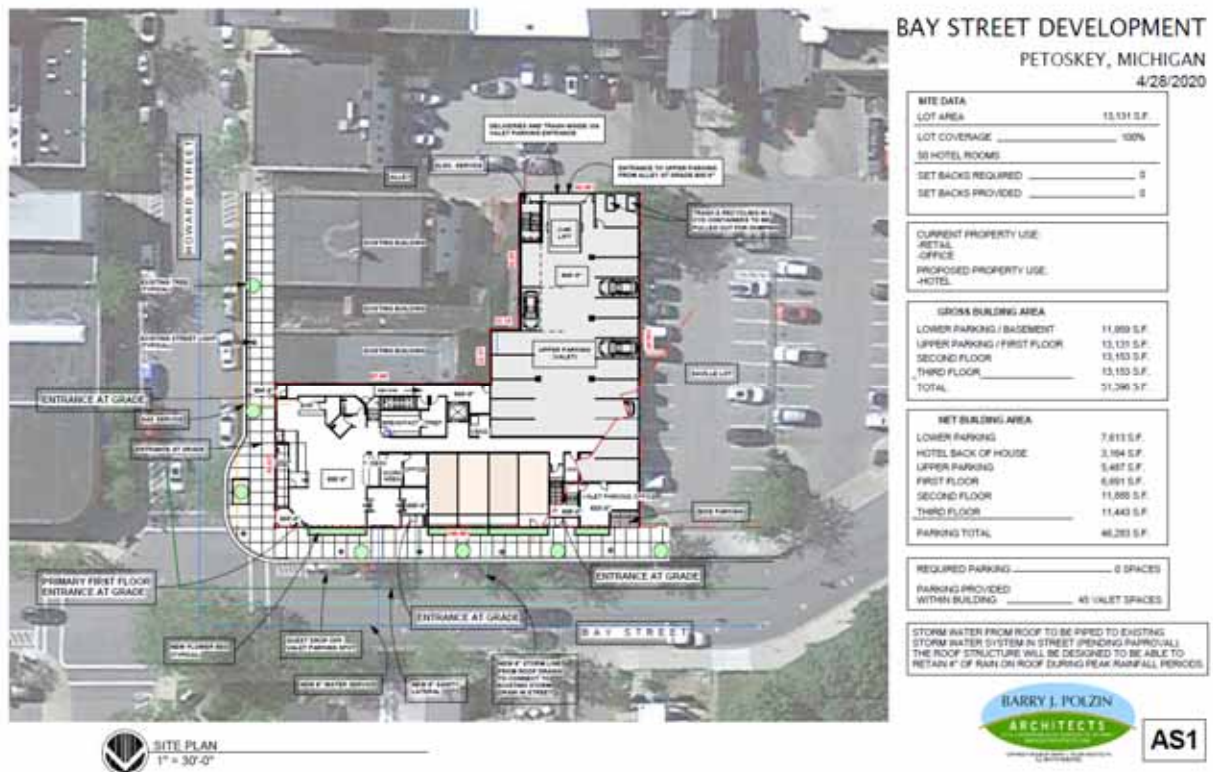


VIEW FROM CORNER OF BAY AND HOWARD

DRAWING INDEX	
COVER	
SITE PLAN	A01
BASEMENT PLAN	A1
FIRST FLOOR PLAN	A2
SECOND FLOOR PLAN	A3
THIRD FLOOR PLAN	A4
ELEVATIONS	A5
RENDERINGS	A6











VIEW FROM BAY ST LOOKING S.E.



AERIAL VIEW WITH 20  
NO BUILD EASEMENT

20' NO BUILD  
EASEMENT



A6



## **Addendum C**

### **Comparable Data**



## Location & Property Identification

Property Name:	Redevelopment Site of Former Church
Sub-Property Type:	Commercial
Address:	502 Michigan St.
City/State/Zip:	Petoskey, MI 49770
County:	Emmet
Market Orientation:	Small Town - Non Metro
Property Location:	Southeast corner of Michigan Street and Waikato Street

IRR Event ID: 2464102



## Sale Information

Sale Price:	\$400,000
Effective Sale Price:	\$400,000
Sale Date:	06/15/2020
Listing Price:	\$430,000
Sale Status:	Offer Pending
\$/Acre(Gross):	\$2,105,263
\$/Land SF(Gross):	\$48.33
\$/Building SF:	\$17.90
Grantor/Seller:	First Baptist Church of Petoskey
Property Rights:	Fee Simple
Verified By:	Bradley G. Conkey
Verification Date:	06/15/2020
Confirmation Source:	Kim - Sotheby's - 231-420-4468
Verification Type:	Confirmed-Seller Broker

Frontage Type:	2 way, 1 lane each way
AccessibilityRating:	Above average
Visibility Rating:	Good
Zoning Code:	O-S
Zoning Desc.:	Office
Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer
Source of Land Info.:	Public Records

## Comments

The property is under contract for \$400,000. The developer plans to redevelop and retain portions of existing 12,000 SF structure. The proposed development is for 6 - 8 condominium units. Demolition costs are not included in costs as portions of building will be utilized. This zoning district allows construction of three stories, with small setback requirement. This site contains 7,7448 SF, utilizing the a 90% site area coverage and a potential three story structure results in a buildable area of 22,345 SF that could be constructed on the site. Therefore, the sales price of \$400,000 equates to \$17.90/SF of developable building area.

The parcel contains a church building that is being slated for redevelopment.

## Improvement and Site Data

Legal/Tax/Parcel ID:	52-19-05-100-040
Acres(Gross):	0.19
Land-SF(Gross):	8,276
Potential Building SF:	22,345
Corner Lot:	Yes
Frontage Feet:	100



## Location & Property Identification

Property Name:	Former Petoskey News Review
Sub-Property Type:	Commercial
Address:	319 State St.
City/State/Zip:	Petoskey, MI 49770
County:	Emmet
Market Orientation:	Small Town - Non Metro
Property Location:	Northwest corner of State Street and Howard Street with Frontage on Michigan Street
IRR Event ID:	2464071



## Sale Information

Sale Price:	\$1,900,000
Effective Sale Price:	\$2,000,000
Sale Date:	06/15/2020
Sale Status:	Offer Pending
\$/Acre(Gross):	\$1,626,016
\$/Land SF(Gross):	\$37.33
\$/Building SF:	\$13.83
Property Rights:	Fee Simple
Verified By:	Bradley G. Conkey
Verification Date:	06/15/2020
Confirmation Source:	Aidan Cleghorn - Bell Cornerstone - 315-579-0293
Verification Type:	Confirmed-Other

Frontage Type:	2 way, 1 lane each way
AccessibilityRating:	Above average
Visibility Rating:	Good
Zoning Code:	B-2B
Zoning Desc.:	Commercial
Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer
Source of Land Info.:	Public Records

## Comments

The site was purchased in May 2019 and immediately placed on the market for sale for \$1,300,000. Multiple offers and bidding ensued, bringing in an excepted offer of \$1,900,000. The demolition of a 22,000 SF building is estimated at \$100,000. This zoning district allows construction of three stories, with some setback requirement. This site contains 53,578 SF, utilizing 90% developable site area and a potential three story structure results in a buildable area of 144,661 SF that could be constructed on the site. Therefore, the sales price of \$2,000,000 equates to \$13.83/SF of developable building area.

## Improvement and Site Data

Legal/Tax/Parcel ID:	52-19-06-277-025 & 52-19-06-277-027
Acres(Gross):	1.23
Land-SF(Gross):	53,578
Potential Building SF:	144,661
Shape:	Irregular
Corner Lot:	Yes
Frontage Feet:	293



## Location & Property Identification

Property Name:	Vacant Land
Sub-Property Type:	Commercial
Address:	202 E. Mitchell St.
City/State/Zip:	Petoskey, MI 49770
County:	Emmet
Market Orientation:	Small Town - Non Metro
Property Location:	South side of E. Mitchell, west of Emmet Street
IRR Event ID:	2464008



## Sale Information

Sale Price:	\$700,000
Effective Sale Price:	\$700,000
Sale Date:	04/01/2020
Sale Status:	Fell Out of Escrow
\$/Acre(Gross):	\$2,258,065
\$/Land SF(Gross):	\$51.84
\$/Building SF:	\$17.28
Property Rights:	Fee Simple
Terms of Sale:	See Comments
Verified By:	Bradley G. Conkey
Verification Date:	06/15/2020
Confirmation Source:	Larry Rellinger of Rellinger & Associates
Verification Type:	Confirmed-Other

Visibility Rating:	Excellent
Zoning Code:	B-2
Zoning Desc.:	Commercial
Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer
Source of Land Info.:	Public Records

## Comments

The property was under contract for \$850,000 for the proposed development of a three-story building with partial first floor and underground parking. The transaction ultimately did not occur and it is back on the market at \$850,000. A broker familiar with the property reported that the parcel will likely sell for \$700,000. This zoning district allows construction of three stories, with no setback requirement. This site contains 13,503 SF, utilizing the full site area and a potential three story structure results in a buildable area of 40,509 SF that could be constructed on the site. Utilizing a projected sales price sales price of \$700,000 equates to \$17.20/SF of developable building area.

The site is a former 7-11 convenience store.

## Improvement and Site Data

Legal/Tax/Parcel ID:	52-19-06-277-001
Acres(Gross):	0.31
Land-SF(Gross):	13,503
Potential Building SF:	40,509
Shape:	Rectangular
Topography:	Gently Sloping
Corner Lot:	Yes
Frontage Feet:	95
Frontage Type:	2 way, 1 lane each way
AccessibilityRating:	Above average



## Location & Property Identification

Property Name:	Vacant Land
Sub-Property Type:	Commercial
Address:	112, 116, 118 & 124 E. Mitchell St.
City/State/Zip:	Petoskey, MI 49770
County:	Emmet
Market Orientation:	Small Town - Non Metro
Property Location:	South side of US-31/Mitchell Street, east of Emmet Street

IRR Event ID: 2463985



## Sale Information

Sale Price:	\$1,250,000
Effective Sale Price:	\$1,260,000
Sale Date:	10/25/2019
Sale Status:	Closed
\$/Acre(Gross):	\$1,852,941
\$/Land SF(Gross):	\$42.54
\$/Building SF:	\$14.18
Grantee/Buyer:	Petoskey Grand, LLC
Property Rights:	Fee Simple
Financing:	All cash
Terms of Sale:	Arm's Length
Document Type:	Deed
Verified By:	Bradley G. Conkey
Verification Date:	06/15/2020
Confirmation Source:	Larry Rellinger - Rellinger & Associates
Verification Type:	Confirmed-Other

## Sale Analysis

Adjust. Comments:	\$10,000 estimate of demolition of existing building
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## Improvement and Site Data

Legal/Tax/Parcel ID:	52-19-06-228-006, 007, 010 & 012
Acres(Gross):	0.68
Land-SF(Gross):	29,620
Potential Building SF:	88,860
Shape:	Rectangular
Topography:	Gently Sloping
Frontage Feet:	190
Frontage Type:	2 way, 2 lanes each way
AccessibilityRating:	Above average
Visibility Rating:	Excellent
Zoning Code:	B-2
Zoning Desc.:	Commercial
Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer
Source of Land Info.:	Public Records

## Comments

The land is the former site of a Family Video shop. Proposed development of a three-story structure; 1st floor parking, 2nd & 3rd floor apartments. 20 Units are planned at approximately 1,200 SF each. The site has extensive views of Lake Michigan. Excellent frontage/exposure along US-31. This zoning district allows construction of three stories, with no setback



## Land Sale Profile

Sale No. 4

### Comments (Cont'd)

requirement. This site contains 29,620 SF, utilizing the full site area and a potential three story structure results in a buildable area of 88,860 SF that could be constructed on the site. Therefore, the sales price of \$1,260,000 equates to \$14.18/SF of developable building area.

The site is comprised of 4 contiguous parcels at a busy intersection and main thoroughfare in the City of Petoskey.



## Location & Property Identification

Property Name: Petoskey Pointe (east)  
 Sub-Property Type: Other  
 Address: 200 East Lake Street  
 City/State/Zip: City of Petoskey, MI 49770  
 County: Emmet

Market Orientation: Small Town - Non Metro

Property Location: Bordered by East Lake Street, Petoskey Street, East Mitchell Street and US-31.



Map created with Emmet County data for illustrative purposes only. Not to scale (NLT 6-7-08)

Boundary lines are estimated.



IRR Event ID: 2463935

## Sale Information

Sale Price: \$2,300,000  
 Effective Sale Price: \$2,300,000  
 Sale Date: 01/01/2018  
 Sale Status: Closed  
 \$/Acre(Gross): \$1,092,637  
 \$/Land SF(Gross): \$25.08  
 \$/Acre(Usable): \$1,092,637  
 \$/Land SF(Usable): \$25.08  
 \$/Building SF: \$8.36  
 \$/Unit: \$13,690 /Unit  
 Grantor/Seller: Elias Amash  
 Grantee/Buyer: Petoskey Grand LLC  
 Property Rights: Fee Simple  
 Financing: Cash to seller  
 Terms of Sale: Arm's Length  
 Document Type: Deed  
 Verified By: Bradley G. Conkey  
 Verification Date: 06/15/2020  
 Confirmation Source: City Assessor - Robert Englebrecht - 231-347-2500  
 Verification Type: Confirmed-Other

Acres(Usable/Gross): 2.11/2.11  
 Land-SF(Usable/Gross): 91,693/91,693  
 Usable/Gross Ratio: 1.00  
 Potential Building SF: 275,079  
 No. of Units (Potential): 168  
 Shape: Rectangular  
 Zoning Desc.: PUD  
 Environmental Issues: Yes  
 Utilities: Electricity, Water Public, Sewer, Gas  
 Source of Land Info.: Public Records

## Comments

This zoning district allows construction of three stories, with no setback requirement. This site contains 91,693 SF, utilizing the full site area and a potential three story structure results in a buildable area of 275,079 SF that could be constructed on the site. Therefore, the sales price of \$2,300,000 equates to \$8.36/SF of developable building area.

Site: There is 269.1 feet of frontage along East Lake Street, 285.91 feet along Petoskey Street, 330.22 feet along East Mitchell Street and 304.73 feet along US-31. The topography is slightly sloping downward from southeast to northwest.

A \$4,500,000 Brownfield redevelopment single business

## Improvement and Site Data

Legal/Tax/Parcel ID: 52-19-06-227-016



### Comments (Cont'd)

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tax credit has been approved for the re-development of the subject property.

There is a proposed six level structure with an additional two parking levels including 168 residential condominium units, one condominium bank unit, ground level retail lease units, hotel lobby, restaurant, spa, cafe convention center, center courtyard, common area terraces, indoor swimming pool, spa pools, saunas and fitness center.





# City of Petoskey

## Agenda Memo

**BOARD:** City Council

**MEETING DATE:** July 6, 2020

**PREPARED:** July 1, 2020

**AGENDA SUBJECT:** Second Reading of a Payment in Lieu of Taxes (PILOT) Ordinance for Lofts at Lumber Square

**RECOMMENDATION:** That the City Council adopt proposed ordinance

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**Background** At the June 15 meeting, Councilmembers directed staff to place on the agenda a second reading of a Payment in Lieu of Taxes (PILOT) ordinance for the proposed Lofts at Lumber Square. See enclosed draft ordinance. The ordinance language has been fully vetted by the City Attorney and is acceptable to project representatives. The ordinance can be passed at this meeting if Council is agreeable with ordinance language.

The following was included in the June 15 Council packet.

**Ordinance Summary** Highlights of the ordinance included the following:

- Ordinance provides for a service charge in lieu of ad valorem taxes for a housing project for low to moderate income persons and families.
- The Annual Service Charge percentage proposed is 10% of Annual Shelter Rents as addressed in Section 5-Establishment of Annual Service Charge. Annual Shelter Rents “*means the total collection during an agreed annual period from or paid on behalf of all occupants of a housing project representing rent or occupancy charges, exclusive of Utilities.*”
- The PILOT ordinance allows the developer to pursue Low Income Housing Tax Credits (LIHTC) through the Michigan State Housing Development Authority and USDA Rural Development Section 515 funding.
- Developer will be obligated to continue to pay ad valorem taxes on the property until all of the following have been satisfied: project has been completed; a certificate of occupancy has been issued; all requirements for MSHDA funding has been approved; and Lofts at Lumber Square is ready to accept low-income tenants. At that point, the developer will then commence with payment of the Annual Service Charge in lieu of property taxes.
- Developer is required to start construction on the project within 24 months of the effective date of the ordinance.

**Planning Commission Conceptual and Site Plan Review** The Planning Commission discussed at the conceptual plan level the Lofts at Lumber Square on May 21. See enclosed minutes from that meeting. No official action was taken. Commissioners commented on the following items:



- They generally liked the conceptual layout with the courtyard facing to the south and overall they believe it is a great use of the property.
- Whether there is a need for a playground and a courtyard area.
- The addition of sidewalk connections from the parking lot to a potential greenway corridor extension.
- Dumpster size and location.
- Possible shifting of the building towards the corridor to increase the setback from 5-feet on Emmet Street.
- Storm water management on the parking lot needed to be addressed as well as the need for additional landscaping.
- The proposal will go back to the Planning Commission on June 18, for more discussions and possible site plan review in August.

**Action** If Council is agreeable with ordinance language a motion can be made to approve the Payment in Lieu of Taxes (PILOT) ordinance for Lofts at Lumber Square.

rs  
Enclosures



## **Previous Information Submitted at the May 18<sup>th</sup> City Council Meeting**

On April 28, Ben Ide of Haan Development sent a proposal to City Staff for a potential workforce/affordable housing project on the Gruler site on Emmet Street. Lofts at Lumber Square, is a proposed three-story, 60-unit apartment complex on Emmet and Folton Streets. Mr. Ide would like the City to consider approving a Payment in Lieu of Taxes (PILOT) ordinance to qualify for Low-Income Housing Tax Credits (LIHTC) and USDA Rural Development Section 515 funding for this potential project. Mr. Ide will be approaching City Council for an initial presentation to gauge whether elected officials want to further discuss the project and a potential PILOT economic incentive. If Council is generally supportive of continuing discussion on the project, the City Planner and I recommend the Planning Commission review the conceptual site plan before any formal action on the PILOT is taken by City Council.

**Background** A PILOT generally serves three purposes: first, to encourage the development or rehabilitation of affordable housing; second, to assist in the financial feasibility of a project with below-market rents, and; third, to demonstrate community participation in applications to other funding sources.

The PILOT is needed by the developer as part of an overall financing package using Federal Low-Income Housing Tax Credits administered through the Michigan State Housing Development Authority (MSHDA) and to qualify for USDA Rural Development Section 515. To implement such a tax-credit program, the City Council would be required to adopt an ordinance amending the City Code taxation provisions.

USDA uses a maximum income limit of 80% of Area Median Income (AMI). The tax credit program limit is 60% of AMI or an average of 60% of the entire building. An applicant that applies for a rental unit would pay no more than 30% of their adjusted income, including a utility allowance for electricity, and if they can't afford the basic rent, the project based rental assistance pays the balance. All units at The Lofts will be reserved for eligible low and moderate income households earning between 30% and 80% of the area median income. For a two-person household this equates to \$16,950 at the low end and \$45,200 at the high end. Rents will range from a low of \$316 for a one-bedroom unit to a high of \$925 for a three-bedroom unit. The AMI in Emmet County is \$56,500 for a two-person household with 60% of AMI being \$33,900.

The City has approved the following PILOTS to provide affordable housing for low-income or elderly persons:

- Riverview Terrace: new construction built in 1977, senior, Section 8, 4% PILOT in 1977 amended 2006
- Traverse Woods: rehab, family, LIHTC/Section 8, 15% PILOT in 2010
- Harbor Village Family: rehab, family, LIHTC/Rural Development Rental Assistance, currently ad valorem, combined with other Harbor Village projects for "blended" 12.79% PILOT in 2019 to go into effect upon development
- Harbor Village Senior I: rehab, senior, LIHTC/Rural Development Rental Assistance, 10% PILOT in 1991/1992 when built, combined with other Harbor Village projects for "blended" 12.79% PILOT in 2019 to go into effect upon development
- Harbor Village Senior II: rehab, senior, LIHTC/Rural Development Rental Assistance, 10% PILOT in 1991/1992 when built, combined with other Harbor Village projects for "blended" 12.79% PILOT in 2019 to go into effect upon development



As you can see, the PILOT percentages run anywhere from 4% to 15%. Staff believes an “applies to apples” comparison on a new affordable housing project most closely aligns with the Harbor Village Senior Citizen Apartment I & II project which was granted a 10% annual PILOT service charge. The developer has stated that a 10% PILOT service charge would work from a proforma standpoint. Please note, City Council has the discretion to set the service charge at any amount as long as the percentage does not exceed what would have been realized by ad valorem taxes.

A PILOT is necessary to demonstrate to other competitive funding sources such as MSHDA and EGLE that there is community participation. Both consider community participation when selecting projects and a lower PILOT rate demonstrates this and increases the likelihood of this project being funded. Setting the percentage of the service charge is therefore a balance. State and federal housing agencies want to see a significant financial commitment by the municipality through a PILOT while the City’s desire is to maintain adequate revenues for the City coffers.

### **Financial Implications- PILOT Service Charge vs. Ad Valorem Taxes**

#### **10% PILOT**

Typically, revenues the City would receive from a PILOT housing project are calculated as follows:

Annual net rental income - annual utility costs x service charge % = annual City revenues

As an example, using 2021 estimates submitted by the developer the financial projections for a 10% PILOT are as follows:

\$483,864	Annual Net Rental Income
<u>-\$ 66,000</u>	Annual Utility Costs

$\$417,864 \times 10\% = \textbf{\$41,786 estimated annual PILOT revenues to all local taxing jurisdictions}$

Please keep in mind that the above calculations are for illustrative purposes only and based upon information submitted by Mr. Ide.

#### **Ad Valorem Taxes**

According to the City Assessor, the estimated taxable value from a project with development costs of \$14,696,848 would be \$7,348,424. This taxable value would generate roughly **\$399,019 annually in property taxes to all local taxing jurisdictions.**

Of course, the Gruler lots are mostly vacant and have not been fully developed. The current taxable value is **\$124,261 with all local taxing jurisdictions receiving \$6,748 in property taxes each year.**

See enclosed spreadsheet developed by City Treasurer Al Terry.



## **How does the Lofts at Lumber Square Compare to City's Economic Development Strategy and current B-2B Mixed Use Corridor Zoning?**

The recently approved Economic Development Strategy identified the Gruler property as a Redevelopment Ready Community (RRC) priority site. Specific language in the Strategy states *"The Old Town Emmet Neighborhood has many attributes to be built upon creating great potential to transform the neighborhood to a vibrant, pedestrian-friendly and diverse neighborhood where small shops and a wide array of housing opportunities exists side by side."* See attached page 20 and 21 from the Strategy.

The intent of the B-2B Mixed Use Corridor *"is to provide a transition between the historic urban core of the Central Business District and the historic commercial district along the Emmet Street Corridor. The district allows a wide mix of uses to maintain and promote a neighborhood that can meet the daily needs of its residents in walking proximity."* See attached B-2B zoning regulations.

Staff has also included the following attachments for more information:

- *"What is a PILOT"* from the Community Housing Network
- Emmet County Needs Homes for Our Future
- MSHDA Low Income Housing Tax Credits



# CITY OF PETOSKEY

Lofts at Lumber Square

## Property Taxes

Parcels - vacant parcels (6) :	Current Taxes - 2019		Estimated Taxes	
	Taxable Value	Taxes	Taxable Value	Taxes
24-52-19-06-402-016	\$61,161	\$3,322	\$7,348,424	\$399,019
24-52-19-06-402-034	5,900	320	0	0
24-52-19-06-402-038	10,000	543	0	0
24-52-19-06-402-052	7,900	429	0	0
24-52-19-06-402-074	38,800	2,107	0	0
24-52-19-06-402-072	500	27	0	0
Total property taxes	\$124,261	\$6,748	\$7,348,424	\$399,019

## Proposed PILOT Estimate

Lofts at Lumber Pointe - 60 units - family dwellings

Annual Rental Income	\$483,864
Less: utilities	<u>(66,000)</u>
Annual Shelter Rents (net)	417,864
PILOT Rate	<u>10.0%</u>
Payment in Lieu of Taxes	<u><u>\$41,786</u></u>

## Summary

Estimated Property Taxes	\$399,019
Proposed PILOT Estimate	<u>\$ 41,786</u>
Difference	<u><u>\$357,233</u></u>

Proposed PILOT estimates are based on Developer's proforma statements.

Estimated taxes are based on developers estimate of \$14,696,848 in costs and City-wide millage rate of 54.3150 mills



City of Petoskey

ORDINANCE NO. \_\_\_\_

**TAX EXEMPTION ORDINANCE**

ADOPTED: [insert date of adoption]

An Ordinance to provide for a service charge in lieu of taxes for a housing project for low and moderate income persons and families to be financed with a federally-aided Mortgage Loan pursuant to the provisions of the State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401, *et seq*) (the "Act").

THE CITY OF PETOSKEY ORDAINS:

**SECTION 1.** This Ordinance shall be known and cited as the "City of Petoskey Tax Exemption Ordinance for Lofts at Lumber Square."

**SECTION 2. Preamble.**

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low and moderate income persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. The City of Petoskey is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low and moderate income persons and families is a public necessity, and as the City of Petoskey will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all *ad valorem* taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

The City of Petoskey acknowledges that the Sponsor (as defined below) has offered, subject to receipt of an allocation under the LIHTC Program by the Michigan State Housing Development Authority, to construct, own, and operate a housing project identified as Lofts at Lumber Square on certain property located at 900 Emmet Street in the City of Petoskey to serve low and moderate income persons and families, and that the Sponsor has offered to pay the City on account of this housing project an annual service charge for public services in lieu of all *ad valorem* property taxes.



### **SECTION 3.        Definitions.**

All terms shall be set forth in the State Housing Development Authority Act of 1966, being the Public Act of 346 of 1966 of the State of Michigan, as amended, except as follows:

- A.    Authority means the Michigan State Housing Development Authority.
- B.    Annual Shelter Rent means the total collections during an agreed annual period from or paid on behalf of all occupants of a housing project representing rent or occupancy charges, exclusive of Utilities.
- C.    Housing Project means Lofts at Lumber Square, located at 900 Emmet Street, Petoskey, MI 49770.
- D.    LIHTC Program means the Low Income Housing Tax Credit program administered by the Authority under Section 42 of the Internal Revenue Code of 1986, as amended.
- E.    Low and Moderate Income Persons and Families means persons and families eligible to move into the Housing Project assisted by a Mortgage Loan.
- F.    Mortgage Loan means a loan that is Federally-Aided (as defined in Section 11 of the Act) or a loan or grant made or to be made by the Authority to the Sponsor for the construction, rehabilitation, acquisition and/or permanent financing of the Housing Project, and secured by a mortgage on the Housing Project.
- G.    Sponsor means Lofts at Lumber Square Limited Dividend Housing Association LLC.
- H.    Utilities means charges for gas, electric, water, sanitary sewer furnished to the occupants that are paid by the Housing Project.

### **SECTION 4.        Class of Housing Projects.**

It is determined that the class of housing projects to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing projects for Low and Moderate Income Persons and Families that are financed with a Mortgage Loan. It is further determined that Lofts at Lumber Square is of this class.

### **SECTION 5.        Establishment of Annual Service Charge.**

The housing project identified as Lofts at Lumber Square and the property on which it will be located shall not be exempt from all *ad valorem* property taxes until such time when the project is built, a certificate of occupancy is obtained, all requirements for MSHDA funding has been approved and Lofts at Lumber Square is ready to accept low-income tenants. The City of Petoskey acknowledges that the Sponsor and the Authority have established the economic feasibility of the housing project in reliance upon the enactment and continuing effect of this Ordinance, and the



qualification of the housing project for exemption from all *ad valorem* property taxes and a payment in lieu of taxes as established in this Ordinance. Therefore, in consideration of the Sponsor's offer to construct, own, and operate the housing project, the City of Petoskey agrees to accept payment of an annual service charge for public services in lieu of all *ad valorem* property taxes. Subject to receipt of a Mortgage Loan, the annual service charge shall be equal to 10% of the Annual Shelter Rents collected by the housing project during each operating year.

**SECTION 6.        Contractual Effect of Ordinance.**

Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between the City of Petoskey and the Sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

**SECTION 7.        Limitation on the Payment of Annual Service Charge.**

Notwithstanding Section 5, the service charge to be paid each year in lieu of taxes for the part of the Housing Project that is tax exempt but which is occupied by other than low or moderate income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the Housing Project if the Housing Project were not tax exempt.

**SECTION 8.        Payment of Service Charge.**

The annual service charge in lieu of taxes as determined under this Ordinance shall be payable in the same manner as general property taxes are payable to the City of Petoskey and distributed to the several units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. The annual payment for each operating year shall be paid on or before April 30 of the following year. Collection procedures shall be in accordance with the provisions of the General Property Tax Act (1893 PA 206, as amended; MCL 211.1, *et seq*).

**SECTION 9.        Duration.**

This Ordinance shall remain in effect and shall not terminate so long as a the Mortgage Loan remains outstanding and unpaid or the Housing Project remains subject to income and rent restrictions under the LIHTC Program; provided the Housing project construction commences within twenty four (24) months from the effective date of this ordinance.

**SECTION 10.       Severability.**

The various sections and provisions of this Ordinance shall be deemed to be severable, and should any section or provision of this Ordinance be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of this Ordinance as a whole or any section or provision of this Ordinance, other than the section or provision so declared to be unconstitutional or invalid.



**SECTION 11.      Inconsistent Ordinances.**

All ordinances or parts of ordinances inconsistent or in conflict with the provisions of this Ordinance are repealed to the extent of such inconsistency or conflict.

**Section 12.      Effective Date.**

This Ordinance shall become effective fourteen (14) days following its enactment and shall be published once within seven (7) days after its enactment as provided by the Charter.

Adopted, enacted and ordained by the City of Petoskey City Council this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_  
John Murphy  
Its Mayor

\_\_\_\_\_  
Alan Terry  
Its Clerk





# City of Petoskey

## Agenda Memo

**BOARD:** City Council

**MEETING DATE:** July 6, 2020

**DATE PREPARED:** June 23, 2020

**AGENDA SUBJECT:** Mayor and Councilmembers Term of Office

**RECOMMENDATION:** That City Council review potential changes to terms of office

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**Summary** City Council has discussed a possible Charter amendment that would potentially change the term of office for City of Petoskey elected officials. Council directed City staff to provide possible options to the current term of office for Mayor and Councilmembers.

**Background** Following discussions at the June 15, 2020 City Council meeting, City staff was directed by City Council to provide for Council consideration possible options to City Council office terms. The options provided are based on City Council discussions that included increasing the term of office for both Mayor and Councilmember positions. Mayor and Council terms being staggered so the Mayoral election switches between the two groups of elections for Ward positions. Terms should be established so no single elected office occurs only in odd numbered years while another occurs only in even numbered years.

A survey of seven communities showed the Mayor position as having a term of office of two years in all seven communities. Councilmember positions varied from 2 to 4 year terms in communities as follows; Two years – 2, Three years – 1, Four years – 4 (see chart below). How Councils are structured and elected varied between communities.

City	Council Size	Mayor Term years	Council Term years	Other
Boyne City	5	2 - appointed	3 yrs. (5)	Mayor is Council appt. No Wards
Cadillac	5	2	4	4 Wards, Council elected at large
Charlevoix	7	2	2	3 Wards-2 per Ward
Cheboygan	7	2 - appointed	4 yrs.(6) & 2 yrs.(1)	Mayor is Council appt. No Wards
Gaylord	7	2	4	3 Ward reps & 3 at large
Grand Haven	5	2	4	No Wards
Harbor Springs	5	2	2	No Wards
Traverse City	7	2	4	No Wards



Based on this background information two options are shown that could meet the criteria above.

Option 1. Increase Mayor term of office from 1 year to 2 years and increase Council term from 2 years to 3 years. The Mayoral election could be held in even years when there tends to be a larger voter turnout. The Mayoral election would also switch between Wards based on when each Ward election is held in the even numbered years.

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Mayor	X		X		X		X		X		X
1 <sup>st</sup> Ward		X			X			X			X
2 <sup>nd</sup> Ward	X			X			X			X	
3 <sup>rd</sup> Ward		X			X			X			X
4 <sup>th</sup> Ward	X			X			X			X	

Option 2. Increase Mayor term of office from 1 year to 2 years and increase Council term from 2 years to 4 years. Both the Mayoral and Council election could be held in even years when there tends to be a larger voter turnout. The Mayoral election would also switch between Ward positions each election. This option would only require a City election in even numbered years.

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Mayor	X		X		X		X		X		X
1 <sup>st</sup> Ward			X				X				X
2 <sup>nd</sup> Ward	X				X				X		
3 <sup>rd</sup> Ward			X				X				
4 <sup>th</sup> Ward	X				X				X		

**Process** If City Council decides to pursue a City Charter amendment to change the terms of office, the next step would be to direct the City Attorney to prepare a resolution that includes ballot language for the proposed changes. The prepared resolution with the ballot language could then be approved by City Council. The approved ballot language would be submitted to the Office of Attorney General and Office of the Governor for their approval.

The filing deadline for placing a local proposal on the November 3, 2020 ballot is August 11, 2020. With the amount of review and approvals required, it is doubtful this could be placed on the November ballot. The next scheduled election would be November 2021 unless a special election is called for May of 2021.

at



# MEMORANDUM

TO: CITY OF PETOSKEY  
FROM: JAMES MURRAY  
RE: ODAWA LAWSUIT UPDATE  
DATE: JULY 1, 2020

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City Council asked for an update on the litigation involving the Odawa Tribe. The Tribe's argument is that the 1855 Treaty created a reservation that exists to this day. The Attorney General and the intervening defendants (the association) all argued that the 1855 Treaty merely created land allotments for individual Indians, as opposed to a reservation. Both the AG and the association defendants focused on journals of discussions around that time, which support defendants' view that a reservation was never intended, and was not created by the Treaty language.

Our brief on behalf of the municipal defendants focused on the language of the 1855 Treaty, and also argued that other Treaties executed around the same time used very different language when the intent was to create a reservation. The AG's office also ghost-wrote the brief submitted by the Township defendants, which followed a similar approach.

The City of Petoskey and other defendants prevailed in the trial court and the Tribe appealed. We also filed a cross-appeal.

Our argument on cross-appeal is that the Tribe's predecessor, in another proceeding in the 1950s, argued that they sold land to the US in 1836 but were grossly undercompensated. They prevailed, and recovered millions in compensation. We say that the Tribe's current position that they have a reservation that existed since 1855 cannot be squared with their recovering millions of dollars for supposedly having sold the land to the US many years earlier.

The Tribe's appeal is still in the briefing stage. Briefing is taking longer than usual, not only because of the significance of the issues and the number of parties, but more recently because of the slowdown caused by the COVID situation. All appellee briefs were filed on May 20. Our brief on behalf of the municipal defendants was the only one to raise an issue on cross-appeal, namely that the judgment should be affirmed on the alternative basis that it is barred by the Indian Claims Commission proceedings. The Tribe's combined brief in reply to the appellee briefs and in response to our cross-appeal argument is due August 4th. Our reply brief on cross-appeal, which will be the final brief, will be due August 25, absent another extension. Then we will await oral argument, which probably will be late fall/early winter.