



CITY COUNCIL

August 31, 2020

A special meeting of the City of Petoskey City Council was held from virtual locations on Monday, August 31, 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, Public Works Director Mike Robbins and Executive Assistant Sarah Bek.

Hear Public Comment

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

Approve Purchase of Midwest Siding Building & Property - Resolution No. 19446

The City Manager reviewed that over a year of negotiations, City staff and Tom Gero, owner of Midwest Siding, have agreed to a selling price of \$722,500 for the 15,000 square foot Midwest Siding building and 0.73 acre property on Sheridan Street next to the public works building. The City Manager further reviewed that the Midwest Siding land is needed to accommodate long-range public works and parks and recreation operation and building facility needs; that the overall plan would assist the City to substantially clean up both the Curtis and Public Works buildings through storing equipment indoors creating a more compatible usage and more aesthetically pleasing use along the Bear River Valley Recreation Area; that the land purchase would allow better access to the Sheridan Street Substation; that it would allow the City to move the salt storage barns to the north side of Sheridan Street and relocate the community gardens to the current salt shed location along the Bear River; reviewed other conceptual plans for the land; that monies for the land purchase would come from the Electric Fund which has a cash reserve balance of \$8.1 million; that the negotiated purchase price was derived by averaging the two highest appraisals on the land of \$665,000 and \$780,000; that Mr. Gero would like to lease the property from the City through 2022 to continue to operate his business, slowly reducing his inventory; that the City would be responsible for paying the utilities on the building and maintain the property through snow plowing the parking lot and mowing the grass; that Mr. Gero would pay the property taxes; that in lieu of having Mr. Gero pay monthly rent, the City would store public works equipment in the building during this time period; and that the lease agreement will be signed by the City Manager once the City formally closes on the property.

City Councilmembers inquired if moving the salt sheds would be more secure from the Bear River; inquired if soil will change with relocating the community gardens; and if there will be additional costs for remediation and other costs involved in the project.

The City Manager responded that moving the salt storage barns to a new location will be much safer than the current location; that the City will be sure to remediate land and soil if necessary for new location of community gardens; and that \$722,500 is the cost for the land purchase only and there will be additional costs for remediation and updates to the surrounding area.

The Director of Finance reviewed how the land purchase would be funded and other possible financing for the conceptual project.

Mayor Murphy asked for public comment and read aloud an email received with various comments concerning the conceptual plans and opposition to additional parklands. Mayor Murphy reviewed his position and supports the plan.

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

WHEREAS, for several years, City staff along with various consultants, have studied the City's buildings and facilities needs, based upon various City operations; and

WHEREAS, as a result of these on-going, long-range planning efforts, it has been determined that certain modifications to existing City-owned buildings and facilities, as well as possible development of new buildings and facilities would be necessary to satisfy such operational needs; and

WHEREAS, conceptual plans call for consideration of modifying City-owned buildings and facilities and developing new buildings and facilities near and within the Bear River Valley Recreation Area, primarily to accommodate operational needs of the Departments of Public Works and Parks and Recreation; and

WHEREAS, the City Manager now has reported to the City Council about the feasibility of the City's acquisition of the Midwest Siding building that is adjacent to the Public Works Facility on Sheridan Street and in close proximity to the Bear River Valley Recreation Area; and

WHEREAS, the 0.73 acre Midwest Siding property, being surrounded on all sides by City-owned property, could be utilized to meet the City's various long-range operational needs, as well as enhance the adjacent Bear River Valley Recreation Area; and

WHEREAS, the property purchase will further enhance the Bear River Recreational Area by allowing the City to relocate the current salt sheds from the south side of Sheridan Street to the north side; and

WHEREAS, conceptual plans for the area envision more park and recreational amenities such as a kayak launch, public bathrooms, trail improvements and an improved community gardens:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby approves a Purchase Agreement of \$722,500 for the Midwest Siding Building at 120 West Sheridan Street and directs the City Manager to sign a Lease Agreement with Mr. Tom Gero upon official closing on the property.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

There being no further business to come before the City Council, this August 31, 2020, meeting of the City Council adjourned at 7:25 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer