



CITY COUNCIL

February 3, 2020

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, February 3, 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 Robert Straebel, Clerk-Treasurer Alan Terry, City Planner Amy Tweeten, Parks and Recreation Director Kendall Klingelsmith and Downtown Director Becky Goodman.

Consent Agenda - Resolution No. 19373

Following introduction of the consent agenda for this meeting of February 3, 2020, 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 confirms that the draft minutes of the January 20, 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 January 20, for contract and vendor claims at \$950,273.41, intergovernmental claims at \$967.26, and the January 23 payroll at \$214,717.98, for a total of \$1,165,958.65 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 Reg Smith, 600 Arlington Avenue, Apt. 7, encouraged City Council to move forward with revisions to the City Charter and Mike Pattullo, 810 Petoskey Street, commented that developers use MEDC grants and other financial tools to make projects more affordable.

Hear City Manager Updates

The City Manager reported that per Council's request a summary of past tax incentives the City has granted for development projects was at their seats; that staff attended the Resort Township Parks and Recreation board meeting regarding erosion issues and that the Resort Township Board will consider funding 50% of the costs of the slope failure study at their February 11 meeting; that staff is working on a Little Traverse Bay Protection and Restoration foundation grant for \$25,000 to offset the costs of the slope failure study and if awarded costs would be reduced for both the City and Resort Township; that the Little Traverse Wheelway is currently closed from Magnus Park to East Park and could remain closed for the remainder of the year dependent upon further erosion occurring and a safety inspection of this segment in the spring; that staff is working with MDOT to identify a safe detour around the damaged bluff area; that many Michigan coastal communities compiled a list of estimated expenses associated with coastal erosion issues totaling more than \$22M and has been presented to lawmakers in Lansing; thanked City Council for allowing him to attend the MME winter conference in Gaylord and attended interesting sessions on lead levels in water pipes, human resource evaluation approaches and State of Michigan road funding; that the City is soliciting bids for the construction of 2-3 pickleball courts at Riverbend Park and bids are due in late February; and that the City Attorney is available at 5:30 P.M., February 24 to conduct Robert's Rules of Order training if the date works with Council.

City Councilmembers discussed process of discussion on erosion issues with Resort Township; and watched a drone video of bluff erosion and discussed issues, ownership, funding and condominium issues for Arrowhead Shores.

Hear Darling Lot Conceptual Plan Presentation

Rob Bacigalupi, Mission North representative, gave a brief presentation on the Darling Lot conceptual plan; reviewed how the Darling Lot could be redeveloped within the Zoning Ordinance height limit of 3 stories, 40 feet; that the plan included 32 apartments ranging in size, 20 residential condominiums, two levels of multi-purpose parking for an estimated 145 underground parking spaces plus 27 surface spaces and 5,725 square feet of commercial space fronting the Downtown Greenway; that the building elevations indicate the use of green walls and the pro-forma included costs for a 5,000 square foot roof-mounted solar array; reviewed estimated costs of \$17.8M; reviewed that the concept assumes commercial development and use of RRC aid in presenting site if agreeable to all parties; and suggested maximizing MEDC incentives on the site such as Brownfield.

City Councilmembers inquired on parking spaces and if the City ever stated its desire to sell the property and who would retain ownership of parking spaces; heard comments that a substantial net gain of parking spaces is needed; considered relooking at a parking lift to gain spaces; that a lift costs approximately \$400,000 and the City can't afford the expense of lift or staffing operation 24 hours per day; heard concerns with premise used for site and some believe developers will want designated parking; heard from those opposing proposed concept; heard an inquiry on where responsibility lies if developed; suggested changing language regarding lot for sale on the priority site; and heard concerns about the fabric of community as homes are becoming more expensive.

Mr. Bacigalupi responded that there are 145 total parking spaces with condos utilizing spaces, but not necessarily apartment users especially during the day; that based on proposed constraints this is the maximum amount of spaces with this concept; and reviewed that all options are open as to who is responsible for what.

Mayor Murphy asked for public comments and heard that a surface parking lot is a scar on the earth; that Council shouldn't try to resolve every issue with the project, but rather let the developer; that Council shouldn't let parking drive development in downtown; heard from those concerned with housing in Petoskey; that demographic trends show that an increase in older people are moving to the community and losing working-class people; and that development brings more households to downtown area.

City Councilmembers concurred to further discuss at a future meeting along with RRC discussions.

Approve Ferry Taxi Service between Petoskey and Harbor Springs – Resolution No. 19374

The City Manager reviewed that the City was approached in 2019 by the Little Traverse Bay Foundation, formally Little Traverse Bay Ferry Company, to offer water taxi services between the City of Petoskey and the City of Harbor Springs; that the Parks and Recreation Commission recommended continuing conversations with the organization, contingent upon Harbor Springs' cooperation; reviewed season, hours and location where boat will be docked; and reviewed the proposed license agreement and if approved, the City of Harbor Springs will also consider approval.

Chris Chamberlin, ferry representative, briefly spoke on the history of past ferries that operated around the bay; that it is a non-profit organization looking to operate the ferry to make it more affordable; and that an estimated cost for a passenger will be \$10 round trip.

City Councilmembers discussed the boat being left at the Petoskey Marina when not in use; the boat being 50 feet long and able to accommodate 49 passengers; and that passengers can bring bikes aboard; and representative commented that they don't see the ferry being full that often.

Mayor Murphy asked for public comments and heard a suggestion to add info to wayfinding signs for ferry service and representatives thanked staff for their help in this process.

City Councilmember Marshall moved that, seconded by City Councilmember Shumway to approve the license agreement with Little Traverse Bay Foundation for operation of a ferry taxi service between the City of Petoskey and the City of Harbor Springs contingent upon the City of Harbor Springs agreeing to terms.

Said motion was adopted by the following vote:

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

NAYS: None (0)

Approve Redevelopment Liquor License for Sam's Graces Café, LLC – Resolution No. 19375

The City Manager reviewed that Sam's Graces Café, LLC, requested that City Council approve a redevelopment liquor license for 324 East Mitchell Street; that the DMB recommended that City Council approve the license at their January meeting; that there are no delinquent taxes, assessments or outstanding code violations for this property; and if approved, the license would be number 6 of a maximum 10 redevelopment liquor licenses that are currently available.

City Councilmembers discussed the application and heard from those in favor of having businesses that sell only non-alcoholic beverages.

City Councilmember Shumway moved that, seconded by City Councilmember Marshall to adopt the resolution form provided by the Liquor Control Commission, approving the application by Sam's Graces Café, LLC, 324 East Mitchell Street, for a new redevelopment liquor license.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Approve Poverty Exemption Policy & Guidelines – Resolution No. 19376

The Director of Finance reviewed that the MCL 211.7u of the General Property Tax Act allows a property tax exemption for the principal residence of persons who, in the judgement of the Board of Review, by reason of poverty, are unable to contribute to the public charges; that the Act requires a local governing body to adopt guidelines including income and asset tests for possible poverty exemption of local property tax assessments; that the State is requiring the policy be approved annually; that the proposed policy and guidelines is essentially the same as the policy approved in 2019, with updated poverty income levels established annually by the Federal Poverty Income Guidelines; and that the City received 10 applications from three owners over the last five years of which 7 were granted.

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

WHEREAS, the annual adoption of guidelines for poverty exemptions is required of the City Council; and

WHEREAS, the principal residence of persons, who the Assessor and Board of Review determines by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Public Act 390 of 1994 (MCL 211.7u); and

WHEREAS, pursuant to PA 390 of 1994, the City of Petoskey, Emmet County, adopts the following guidelines for the Board of Review to implement. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the current or immediately preceding year:

To be eligible, a person shall do all the following on an annual basis:

1. Be an owner of and occupy as a principal residence for a period of at least three years the property for which an exemption is requested.
2. File a claim with the Assessor or Board of Review, accompanied by federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns filed in the immediately preceding year or in the current year or a signed State Tax Commission Form 4988, Poverty Exemption Affidavit.
3. File a claim reporting that the combined assets of all persons do not exceed the current guidelines. Assets include but are not limited to, real estate other than the principal residence, personal property, motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc.
4. Produce a valid driver's license or other form of identification if requested.
5. Produce, if requested, a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
6. Meet the federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services or alternative guidelines adopted by the City of Petoskey providing the alternative guidelines do not provide eligibility requirements less than the federal guidelines.
7. The application for an exemption shall be filed after January 1, but one day prior to the last day of the December Board of Review. The filing of this claim constitutes an appearance before the Board of Review for the purpose of preserving the right of appeal to the Michigan Tax Tribunal.

The following are the federal poverty income guidelines which are updated annually by the United States Department of Health and Human Services. The annual allowable income includes income for all persons residing in the principal residence.

Federal Poverty Guidelines for 2020 Assessments

Number of Persons Residing in the Principal Residence	Poverty Guidelines Annual Allowable Income
1 person	\$12,490
2 persons	\$16,910
3 persons	\$21,330
4 persons	\$25,750
5 persons	\$30,170
6 persons	\$34,590
7 persons	\$39,010
8 persons	\$43,430
Each additional person, add	\$ 4,420

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Assessor and Board of Review shall follow the above and attached stated policy and federal guidelines in granting or denying an exemption, unless the Assessor and Board of Review determines there are substantial and compelling reasons why there should be a deviation from the policy and federal guidelines and these reasons are communicated in writing to the claimant.

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 Shumway is encouraged that staff and Council does work together with businesses and governmental organizations to approve projects and development. Mayor Murphy reported that he attended the State of the State address down in Lansing last week.

There being no further business to come before the City Council, this February 3, 2020, meeting of the City Council adjourned at 8:35 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer