



CITY COUNCIL

February 17, 2020

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, February 17, 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, Public Works Director Michael Robbins, Parks and Recreation Director Kendall Klingelsmith and Downtown Director Becky Goodman.

Hear MPPA Presentation

Patrick Bowland, MPPA CEO and General Manager, gave a brief presentation concerning power supply, renewables and strategies to meet short and long-term goals. Mr. Bowland reviewed that MPPA is a project based agency; reviewed power supply types; reviewed capacity concerns for solar and wind; reviewed laws regulating industry; and reviewed the power requirements necessary for the City to meet goal of 100% renewable by 2035.

Councilmembers commented on discussions with Mr. Evans from Groundworks on potential solar projects and MPPA's involvement; inquired if the City's 2035 goal is achievable; discussed transmission costs; heard from those in favor of having a work session to discuss how to achieve goals in increments and what is involved; that the State mandate is 15% renewables by 2021 and the City is currently at 23%; that the City needs some type of customer outreach for future goals; and that energy efficiency is ideal.

Mr. Bowland responded that it's for the City to decide if goals are reasonable and there are transmission costs whether used or not, the City pays for power load even if produced locally.

Mayor Murphy asked for public comments and heard an inquiry if State mandates will decline; heard from those thanking Mr. Bowland and that the approach seems prudent; and that any building built at 200 East Lake Street should have solar and wind projects incorporated into design.

Consent Agenda - Resolution No. 19377

Following introduction of the consent agenda for this meeting of February 17, 2020, City Councilmember Marshall moved that, seconded by City Councilmember Shumway adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the February 3, 2020 special session and February 3, 2020 regular session City Council meetings 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 February 3, for contract and vendor claims at \$1,900,169.17, intergovernmental claims at \$12,697.20, and the February 6 payroll at \$203,092.20, for a total of \$2,115,958.57 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 Kathy Bickford, 319 Grove Street, commented that she lives next to an Airbnb and has concerns with snowplowing, bonfires and cars blocking her area of driveway and feels unsafe. Carlin Smith, 356 Boyer Road, commented on behalf of the Little Traverse Bay Housing Partnership, and inquired on the status of the Darling Lot and what happens next and that the Partnership is looking for housing for all, but is market-based housing. Scott Redmond, Resort Township, is concerned with recreational marijuana and that young people can be affected by this decision and many organizations would like to locate in the community and take advantage of this type of business. Jane Fisher, 110 Arlington Avenue, commented that tribes can do whatever they want when it comes to marijuana facilities.

Councilmembers responded that the short-term rental issues were discussed with the City Planner and the rental is a legal Airbnb located in a business district and will try and discuss issues with the owners and reviewed ongoing possible workforce housing and anticipates a housing component in the mix.

Hear City Manager Updates

The City Manager reported that he attended the Chamber's State of the Community luncheon and the City Planner made a presentation regarding the update of the City's Master Plan; that staff met with MDOT last week regarding the closed Little Traverse Wheelway and that both parties agreed that it would be unsafe to divert pedestrian and bicyclist traffic onto US-31; that the Mayor and staff attended the Resort Township Board meeting on February 11 soliciting financial support for an \$81,620 Slope Failure Study and board members approved a motion to support paying 1/3 of the costs and requested that the City approach Emmet County to fund a portion of the study; that he participated in a workshop sponsored by the Department of Environment, Great Lakes and Energy (EGLE), the University of Michigan and the Rocky Mountain Institute to identify strategies to assist communities in transitioning to renewable energy and one common theme was the issue of equity and the critical importance of keeping rates affordable for all socio-economic groups while transitioning to clean energy; that he and the Mayor met with USDA representatives regarding potential funding for shoreline erosion issues within the community; that the City Attorney will be attending the March 2 Council meeting to discuss the process of potential changes to the City Charter as requested by City Council; and that the City Attorney will be hosting a special joint session on Robert's Rules of Order at 5:30 P.M., February 24, 2020 and members of the DMB, Planning Commission and ZBA have been invited.

Annual Review of Economic Development Strategy

The City Planner reviewed 2019 accomplishments as part of the Redevelopment Ready Communities (RRC) program and reviewed progress; whether new goals or strategies should be incorporated; whether any changes to the priority redevelopment sites should be made or other changes be considered; reviewed that to help staff better understand the position of City Council with regard to redevelopment incentives, a matrix was developed; and that staff is looking for input and direction from City Council on economic development goals and strategies, as well as possible changes to redevelopment sites.

City Councilmembers discussed the Darling Lot and that it is still open for ideas; heard from those in favor of adding 502 Michigan Street, Parr Baptist Church, as a priority redevelopment site; discussed Baptist Church property as a priority redevelopment ready site; discussed how to look at projects for possible tax breaks; that the City Planner's matrix on tax breaks be discussed at the next Council meeting; and discussed city-owned site on US-31 as a possible site.

Mayor Murphy asked for public comments and heard a comment that workforce housing is needed and a Brownfield site is premier process for workforce housing.

City Councilmembers were supportive of adding the Parr Baptist Church, 502 Michigan Street, to the list of priority redevelopment sites.

Discuss Adding 200 Howard Street and 322 Bay Street as Priority Redevelopment Sites

The City Planner reviewed as part of the certification process for Redevelopment Ready Communities, the City was asked to identify at least three sites that would prioritize for redevelopment incentives should a development come forward that met specified criteria. The City Planner further reported that there has been progress on sites, but based on interest in redevelopment of other areas as well such as 502 Michigan Street and a current request to include two adjacent properties in the Central Business District, 200 Howard Street and 322 Bay Street; that staff is looking for direction from City Council whether to add these properties to the list of priority redevelopment sites, or if it wants to consider a request for incentives; that the development team wants to know if Council would grant a 20-foot easement along the east property line of the Saville Lot to allow for the residential windows and balconies at the property line, use of two (2) of the existing parking spaces for ingress/egress to their lower level parking and if Council would consider a Brownfield TIF for eligible activities, including environmental remediation and the private parking; and reviewed that a Brownfield TIF plan could be created that would also allow the tax increment from the building to pay for the public parking deck on the Saville Lot, either at the same time as construction of the building or shortly thereafter.

Barry Polzin, Main Dock 7271 development team architect, reviewed proposed plan for redevelopment of the two sites which includes below level parking for buildings and two decks for existing parking lot; that the development team is asking for up to a 10-12 year TIF; and that the redevelopment will transform this underutilized location into new, viable commercial space and 20 new attractive residential living spaces.

City Councilmembers discussed the proposed project and heard concerns with easement and parking deck and discussed how private and City parking would work with proposed concept.

Mayor Murphy asked for public comments and heard a comment that the Saville Lot area is very contentious and sought after for parking spaces; and heard a comment that there is a lot of desire for smaller stores.

City Councilmembers requested the development team bring back more information to clarify concerns.

Authorize Contract for Jackson Street Improvements and Legal Documents to Accept a Warranty Deed for McLaren Northern Michigan Property– Resolution No. 19378

The Public Works Director reviewed that \$400,000 was included in the 2020 Budget and CIP for the reconstruction of Jackson Street from West Mitchell Street to the hospital's Ring Road; reviewed the proposed project limits, ownership and who had what construction responsibilities; that this project is a continuation of Jackson Street improvements that began in 2017 when McLaren Northern Michigan and the City signed a Letter of Intent agreeing to the extension of Jackson Street along with certain obligations; that the extension is now complete and the hospital will work with staff and proceed with deeding the land to the City that will ultimately become part of the City's public street system; reviewed improvements and scope of work; and reviewed bids.

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

WHEREAS, the City owns and maintains roads within the City limits, including Jackson Street; and

WHEREAS, the City, along with McLaren Northern Michigan signed a Letter of Intent in 2017 that allowed the hospital to extend Jackson Street from the hospital campus Ring Road to Charlevoix Avenue as part of the hospital expansion project; and

WHEREAS, the Jackson Street extension provides fluid access to all McLaren facilities without entering the US-31 corridor and aligns Jackson Street with Cemetery Road for better traffic circulation; and

WHEREAS, City staff recommended that City Council accept the low bid from MDC Contracting, LLC., Charlevoix, to perform street improvements; and

WHEREAS, McLaren Northern Michigan will be participating in this project for costs associated with a “mill and fill” that will apply a new asphalt top coat to the Jackson Street extension estimated at \$45,636.20; and

WHEREAS, McLaren Northern Michigan, at their cost, constructed and completed the Jackson Street extension per City of Petoskey Construction Standards and Specifications; and

WHEREAS, a portion of Jackson Street as extended is currently located on property owned by McLaren Northern Michigan; and

WHEREAS, McLaren Northern Michigan has agreed to convey property owned by McLaren Northern Michigan to the City of Petoskey now that the Jackson Street extension is complete:

NOW THEREFORE, BE IT RESOLVED, that the City of Petoskey City Council does hereby authorize contracting with MDC Contracting, LLC., Charlevoix, in the amount of \$428,966.90, for the reconstruction of Jackson Street from West Mitchell Street to the hospital's Ring Road; and

BE IT FURTHER RESOLVED, that the City of Petoskey City Council does hereby authorize the Mayor and City Clerk to sign legal documents as prepared by the City Attorney and approved by the City Manager, to accept a warranty deed for the McLaren Northern Michigan property.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Approve EGLE Grant for Solanus Mission Beach Improvements – Resolution No. 19379

The Parks and Recreation Director reviewed that the City submitted a grant last June to the Coastal Health Habitat, Waters and Communities Initiative through the Michigan Department of Environment, Great Lakes and Energy (EGLE) to assist with costs related to Solanus Mission beach area improvements; that the planning grant will cover up to 50% for feasibility studies, community engagement and other planning partners; reviewed partners in the planning process; and that project costs total \$20,000 with the City's portion being \$10,000.

City Councilmember Marshall moved that, seconded by City Councilmember Walker to approve the planning grant contract with the Michigan Department of Environment, Great Lakes and Energy (EGLE) for the Michigan Coastal Management Program and authorize Robert Straebel, City Manager, or his designee to serve as the City's representative for this project.

Said motion was adopted by the following vote:

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

NAYS: None (0)

Authorize Tree Planting Contract – Resolution No. 19380

The Parks and Recreation Director reviewed that the 2020 Annual Budget included monies for planting of trees and shrubs within street green lawns and public spaces as new or replacement trees; that the majority of the trees in this year's bid are earmarked for street projects that include Jackson and Kalamazoo; that the tree planting initiative is part of the City's overall Forestry Program that includes trimming, maintenance and tree and stump removal of City owned trees; and reviewed bids.

Mayor Murphy asked for public comments and heard a comment that two trees were planted on Harvey Street along with several others around the community that were planted and maintained poorly.

City Councilmember Shumway moved that, seconded by City Councilmember Marshall to authorize to contract with David Hoffman Landscaping and Nursery, Inc., Petoskey, in the amount of \$36,520, for planting of trees throughout the City.

Said motion was adopted by the following vote:

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

NAYS: None (0)

Discuss Promenade Tree Replacement

The Parks and Recreation Director reviewed that several trees in the promenade area are dead or dying and creating trip hazards because of heaving concrete; that the trees are 30 years old, overgrown and difficult to trim; that staff has worked with Beckett and Raeder, original architect of the promenade and Bayfront Park, to develop a removal and replacement plan of the existing promenade trees; that improvements will give new life to the area, restoring it to its original intended design; and reviewed estimated costs of \$35,000 for the project which is budgeted in the parks forestry account.

City Councilmembers commented that staff should look into using some County compost in planting the trees.

Council Comments

Mayor Murphy commended DPW Electric staff on fixing the electrical issues at a residence near College View in a timely manner.

There being no further business to come before the City Council, this February 17, 2020, meeting of the City Council adjourned at 10:50 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer