



## 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