



CITY COUNCIL

August 16, 2021

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, August 16, 2021. 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
Derek Shiels, 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, City Attorney Jim Murray and Executive Assistant Sarah Bek.

Public Hearing Establishing an Obsolete Property Rehabilitation Act (OPRA) District for 316 and 318 East Lake Street

Tom Johnson, representing Howard Property Partners LLC, gave a brief presentation on history of 316 and 318 East Lake Street property; reviewed abatement figures; that there has been no use for 80+ years; reviewed condition of building; and that the MEDC grant will help fund the rehabilitation project.

Mayor Murphy opened the public hearing at 7:17 P.M. and heard the following comments.

George Robinson, 314 East Lake Street, owns the property, has four parking places and approval of the OPRA District will add to parking issues and that there should be parking provisions.

Mayor Murphy read aloud a letter of support on establishing an OPRA District from Ben Slocum, Managing Partner of Beard's Brewery LLC, 215 East Lake Street.

The public hearing was closed at 7:23 P.M.

Public Hearing on Obsolete Property Rehabilitation Act (OPRA) Exemption Certificate Application from Howard Property Partners LLC

Mayor Murphy opened the public hearing at 7:24 P.M. and heard the following comments.

George Robinson, 314 East Lake Street, confirmed that there will be no additional parking, as there are no requirements to provide parking.

Frank Hawthorne, 1032 Howard Street, commented that he appreciates the historic integrity and realizes the importance of protecting historic preservation, but many vacant properties are deteriorating and is in favor of the proposed development.

The public hearing closed at 7:27 P.M.

Consent Agenda - Resolution No. 19572

Following introduction of the consent agenda for this meeting of August 16, 2021, City Councilmember Marshall 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 August 2, 2021 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 August 2, 2021 for contract and vendor claims at \$2,098,515.06, intergovernmental claims at \$803,438.12, and the August 5 payroll at \$236,240.30, for a total of \$3,138,193.48 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Shiels, 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 reviewed that after extending the deadline date for two weeks and advertising on several platforms, the City received 15 applications for the Clerk-Treasurer position and an interview committee will conduct interviews this Wednesday and that since the next Council meeting is not until September 20, a special meeting may be conducted to consider his recommendation for the next Clerk-Treasurer; that staff in coordination with the DMB is looking into a grant opportunity through the Michigan Economic Development Council (MEDC) to develop a work plan to promote winter activities within the City; reviewed that ballot language has been finalized for the November 2, 2021 general election to allow recreational marijuana facilities within the City and the ballot language has been fully reviewed by Matt Cross from Plunkett and Cooney; that the City recently refunded the Library Bonds at an interest rate of 1.139% for the remaining seven payments with gross interest savings of \$80,487 and thanked Clerk-Treasurer Al Terry for these cost-saving measures; that in coordination with the City's IT consultants, Empiric Solutions, staff ordered a wireless microphone system for the Council Chambers which will be compatible with the Zoom platform and allow continued two-way communication virtually and thanked Sarah Bek for her research on this project; that Emmet County will be hosting an Affordable/Workforce Housing Summit at 6:00 P.M., August 26, 2021 at the Petoskey Middle School Auditorium and the City will be making a presentation on our efforts to promote more housing in the community; reviewed the City Manager annual performance evaluation timeline and process and that evaluations will be due to City Attorney James Murray by September 10 with a possible closed session at the September 20 City Council meeting; reviewed Greenwood Road reconstruction project updates; and gave special thanks to all who attended the Iron Belle Bridge ribbon cutting ceremony which shows Petoskey's continued investment in non-motorized trails in the community and thanked Parks and Recreation Director Kendall Klingelsmith, The North Country Trail Association, Jordan Valley 45 Chapter, North Central Michigan College and all the other donors and funding agencies that made this a reality.

Approve Board and Commission Appointments – Resolution No. 19573-19575

Mayor Murphy reviewed that City Council consider the following reappointments.

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

BE IT RESOLVED that the City Council does and hereby approves the reappointment of Ted Pall, 603 East Lake Street, to the Planning Commission for a three-year term ending August 2024.

City Councilmembers discussed fundamental differences in how the Planning Commission should run; heard concerns regarding reappointing Mr. Pall and his resistance to change and concerns about Mr. Palls conduct on the Planning Commission.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Resolution No. 19574

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

BE IT RESOLVED that the City Council does and hereby approves the reappointment of Cynthia Linn Robson, 606 Grove Street, to the Planning Commission for a three-year term ending August 2024.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Resolution No. 19575

City Councilmember Shiels 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 Charles Willmott, 1128 Valley View Avenue, to the Planning Commission for a three-year term ending August 2024.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Approve Obsolete Property Rehabilitation Act (OPRA) District for 316 and 318 East Lake Street – Resolution No. 19576

The City Manager reviewed that previously in the meeting a public hearing was conducted to solicit comments on the potential establishment of an OPRA District for Property Tax ID #: 52-19-06-226-024, commonly known as 316 and 318 East Lake Street; reviewed OPRA regulations and notification process of who received notices; and reviewed tax abatements and funding by the MEDC grant.

City Councilmembers commented the downtown is not a deteriorating area; heard that Council should have a policy discussion on tax abatements; heard a comment that the MEDC will not grant more than 25% of costs and the proposed amount is more than 25%; heard that everyone will benefit from this redevelopment today and in the future; that parking issues will need to be resolved; heard from those opposed to the tax abatement; and that the vision is laid out in the master plan and heard from those in favor of approving the district.

Mr. Johnson responded that MEDC grants up to 50% of costs, but the standard is 25%.

Mayor Murphy asked for public comments and heard from those in favor of City Council adopting a policy for tax abatements and that it is advantageous that it is mentioned in the master plan and this property is already identified as a redevelopment ready site; heard that a draft economic development evaluation policy is included in the Economic Development Strategic Plan; heard from those in favor of approving the application and that the redevelopment will add housing in the community; and heard an inquiry if others will receive abatements if requested in the future.

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

WHEREAS, pursuant to PA 146 of 2000, the City of Petoskey has the authority to establish "Obsolete Property Rehabilitation Districts" within the City; and

WHEREAS, Howard Property Partners LLC has filed a written request with the Clerk of the City of Petoskey requesting the establishment of the Obsolete Property Rehabilitation District for Property Tax ID # 52-19-06-226-024, commonly known as 316 and 318 East Lake Street located in the City of Petoskey hereinafter described; and

WHEREAS, the City Council of the City of Petoskey determined that the district meets the requirements set forth in section 3(1) of PA 146 of 2000; and

WHEREAS, written notice has been given by mail to all owners of real property located within the proposed district and by public posting of the hearing on the City's website as well as posted at City Hall on the establishment of the proposed district; and

WHEREAS, on August 16, 2021 a public hearing was held and all residents and taxpayers of the City of Petoskey were afforded an opportunity to be heard thereon; and

WHEREAS, establishment of the District shall be contingent upon the two properties receiving a Community Revitalization Program grant through the Michigan Economic Development Corporation (MEDC); and

WHEREAS, the City Council deems it to be in the public interest of the City of Petoskey to establish the Obsolete Property Rehabilitation District as proposed:

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Petoskey that the following described parcel(s) of land situated in the City of Petoskey, Emmet County, and State of Michigan, to wit:

Legal Description:

SHAW & MC MILLAN'S ADDITION W 1/2 OF LOT 4 &
COM AT NE COR OF LOT 5, TH W 25.22', TH S
138' TO A PT 23.95' W OF SE COR OF LOT 5, TH
E 23.95' TO SE COR OF LOT 5, TH N TO POB ALL
IN BLK 8 SECTION 6, T34N, R5W.

be and here is established as an Obsolete Property Rehabilitation District pursuant to the provisions of PA 146 of 2000, Property Tax ID # 52-19-06-226-024, to be known as 316 and 318 East Lake Street Obsolete Property Rehabilitation District No.1. and that the establishment of the District shall be contingent upon the two properties receiving a Community Revitalization Program grant through the Michigan Economic Development Corporation (MEDC).

Said resolution was adopted by the following vote:

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

NAYS: Marshall (1)

Approve Obsolete Property Rehabilitation (OPRA) Exemption Certificate Application for 316 and 318 East Lake Street – Resolution No. 19577

The City Manager reviewed that previously in the meeting a public hearing was conducted to solicit comments on the potential approval of an OPRA Exemption Certificate Application for Property Tax ID # 52-19-06-226-024, commonly known as 316 and 318 East Lake Street, submitted by Howard Property Partners LLC.

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

WHEREAS, pursuant to PA 146 of 2000, the City of Petoskey is a Qualified Local Governmental Unit eligible to establish one or more Obsolete Property Rehabilitation Districts; and

WHEREAS, the City of Petoskey legally established the Obsolete Property Rehabilitation District, Property Tax ID # 52-19-06-226-024, known as 316 and 318 East Lake Street Obsolete Property Rehabilitation District No.1 on August 16, 2021, after a public hearing held on August 16, 2021; and

WHEREAS, the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) does not exceed 5% of the total taxable value of the City of Petoskey; and

WHEREAS, the application was approved at a public hearing as provided by section 4(2) of Public Act 146 of 2000 on August 16, 2021; and

WHEREAS, Howard Properties LLC is not delinquent in any taxes related to the facility; and

WHEREAS, the application was approved for less than 12 years and exemption certificate will not be extended in the future; and

WHEREAS, the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000; and

WHEREAS, the applicant, Howard Properties LLC, has provided answers to all required questions under the application instructions to the City of Petoskey; and

WHEREAS, the City Council requires that rehabilitation of the facility shall be completed within two years of issuance of a Petoskey Zoning Permit by the City Planner; and

WHEREAS, the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District; and

WHEREAS, the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in the City of Petoskey eligible under Public Act 146 of 2000 to establish such a district; and

WHEREAS, completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, revitalize urban areas, and increase the number of residents in the community in which the facility is situated; and

WHEREAS, the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000; and

WHEREAS, approval of the Exemption Certificate Application shall be contingent upon the two properties receiving a Community Revitalization Program grant through the Michigan Economic Development Corporation (MEDC):

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Petoskey

Howard Properties LLC is granted an Obsolete Property Rehabilitation Exemption for Property Tax ID # 52-19-06-226-024, for the real property, excluding land, located in an Obsolete Property Rehabilitation District known as 316 and 318 East Lake Street Obsolete Property Rehabilitation District No.1 at 316 and 318 East Lake Street for a period of six (6) years, beginning December 31, 2021 and ending December 31, 2027, pursuant to the provisions of PA 146 of 2000, as amended, and that the approval of the Exemption Certificate Application shall be contingent upon the two properties receiving a Community Revitalization Program grant through the Michigan Economic Development Corporation (MEDC).

Said resolution was adopted by the following vote:

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

NAYS: Marshall (1)

Approve Draft Letter of Support Regarding a Countywide Transportation System – Resolution No. 19578

The City Manager reviewed that at the July 16 Council meeting, Councilmembers directed the City Manager to draft a letter of support to Emmet County Commissioners regarding development of a comprehensive, countywide transit system and was asking Councilmembers to review and discuss proposed letter recommending any changes, and once language is agreed upon to have the Mayor sign the letter of support.

City Councilmembers discussed the makeup of the letter and suggested revisions.

City Councilmember Shiels moved that, seconded by City Councilmember Marshall to approve the draft letter of support as amended for a countywide transportation system.

Said motion was adopted by the following vote:

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

NAYS: None (0)

Approve FOPLC Public Safety Lieutenants 2021-2023 Contract – Resolution No. 19579

The City Manager reviewed that the FOPLC Lieutenants Division and staff negotiated a tentative agreement on the expired union contract and reviewed proposed changes to the new contract which largely mirrored language in the recently adopted collective bargaining agreement with the Public Safety Officers Division.

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

WHEREAS, certain Department of Public Safety Lieutenants are represented by the Fraternal Order of Police Labor Council (FOPLC); and

WHEREAS, City and bargaining unit representatives negotiated provisions of a proposed agreement for the Public Safety Lieutenants Division; and

WHEREAS, the City Manager now has reported that an agreement has been reached with the FOPLC Public Safety Lieutenants Division for the period of January 1, 2021–December 31, 2023:

NOW, THEREFORE, BE IT RESOLVED that the City Manager is hereby directed to execute on behalf of the City an employment agreement with the Department of Public Safety Lieutenants Division who are represented by the Fraternal Order of Police Labor Council.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Approve Public Safety Lieutenants MERS Health Care Savings Program & Agreement – Resolution No. 19580

The City Manager reviewed the MERS Health Care Savings Program (HCSP) as part of the recently approved collective bargaining agreement with the Public Safety Lieutenants; that the program requires all Lieutenants to participate and to make mandatory contributions in the amount of 4% of their wages; that there are no employer contributions; that MERS will manage investments for the account and upon leaving employment with the City, Lieutenants will be able to access the funds for eligible medical expenses; and that MERS requires a HCSP Participation Agreement approved by Council to establish the plan and plan provisions.

City Councilmember Shiels moved that, seconded by City Councilmember Marshall to approve the MERS Health Care Savings Program Participation Agreement for the Public Safety Lieutenants required by MERS and authorize execution of the agreement that will establish the plan as provided in the collective bargaining agreement.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Name Municipal League Annual Meeting Representatives – Resolution No. 19581

The City Manager reported that at the request of the Michigan Municipal League, the City Council was being asked to adopt a proposed resolution that would confirm the City Council's appointment of an official voting representative and an alternate representative, one of whom would attend the annual business meeting of the Municipal League that would be conducted September 22, in conjunction with the League's 2021 Convention September 22-24, which will be held in Grand Rapids.

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

BE IT RESOLVED that the City of Petoskey City Council does and hereby selects Councilmember Shiels as the City's voting representative for the annual business meeting of the Michigan Municipal League that has been scheduled for Wednesday, September 22, 2021, which will be conducted in Grand Rapids; and

BE IT FURTHER RESOLVED that the City Council does and hereby selects Councilmember Walker as the City's alternate representative to serve in the absence of the voting representative at said annual meeting.

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

NAYS: None (0)

Council Comments

Mayor Murphy asked for City Council comments and City Councilmember Wagner commented that North Central Michigan College will have a ribbon cutting ceremony at 5:00 P.M., August 19. City Councilmember Shiels inquired if citizens can sign up to receive City newsletter via texts. City Councilmember Marshall commented that there should be a Compliance Officer included as part of the 2022 Annual Budget and commented that she has received citizen complaints of speeding on Michigan Street. Mayor Murphy reviewed several upcoming events in the community.

There being no further business to come before the City Council, this August 16, 2021, meeting of the City Council adjourned at 9:15 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer