



## CITY COUNCIL

February 1, 2016

A regular meeting of the City of Petoskey City Council was held in the City Hall Main Floor Lobby, Petoskey, Michigan, on Monday, February 1, 2016. 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: William Fraser, Mayor  
Kate Marshall, City Councilmember  
John Murphy, City Councilmember  
Grant Dittmar, City Councilmember  
Jeremy Wills, City Councilmember

Absent: None

Also in attendance were City Manager Robert Straebel, Clerk-Treasurer Alan Terry and City Planner Amy Tweeten.

Resolution No. 18941  
Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of February 1, 2016, City Councilmember Marshall moved that, seconded by City Councilmember Murphy adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the January 18, 2016 regular-session and January 25, 2016 special 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 January 18 for contract and vendor claims at \$2,351,830.68, intergovernmental claims at \$52,328.41, and the January 28 payroll at \$186,060.28, for a total of \$2,590,219.37 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Murphy, Dittmar, Wills, Fraser (5)

NAYS: None (0)

Resolution No. 18942  
Confirm Appointments

Mayor Fraser reviewed that City Council consider possible appointments to the Planning Commission. City Councilmember Murphy moved that, seconded by City Councilmember Wills, adoption of the following

resolution:

BE IT RESOLVED that the City Council does and hereby approves the reappointment of James Holmes, 402 Beech Street, to the Planning Commission for a three-year term ending August 2018; and

BE IT FURTHER RESOLVED that the City Council does and hereby approves the appointment of Betony Braddock, 622 Elizabeth Street, to the Planning Commission to fill a vacated, unexpired term of August 31, 2017, which was created by the resignation of Elizabeth Looze.

Said resolution was adopted by the following vote:

AYES: Marshall, Murphy, Dittmar, Wills, Fraser (5)

NAYS: None (0)

Hear Public Comment

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

Hear City Manager Updates

The City Manager reported that elevator repairs were beginning with work to be completed in 4-6 weeks; that the Rotary Club did not select the City to partner with their fundraising event, but chose the Great Lakes Center for the Arts in Bay Harbor; that the public art plan will be discussed at a future meeting; that a projection request was sent in to MERS concerning pensions; that the DMB will be reviewing the Downtown Greenway Corridor draft plans at a special meeting on February 10 and Council will review on February 15; and that he would be attending the MLGMA Conference tomorrow through Thursday.

Hear Redevelopment Ready Communities Update

The City Planner reviewed that in October 2015, City Council passed a resolution to initiate the Michigan Economic Development Corporation's Redevelopment Ready Communities program. Along with the resolution, the submittal included staff's evaluation of the City's progress on the 6 redevelopment ready best practices: community plans and public outreach, zoning regulations, development review process, recruitment and education, redevelopment ready sites, and community prosperity, all of which was submitted on November 3. The City Planner reported that 12 communities are ahead of Petoskey and with changes to MEDC that it could take some time to receive State approval; discussed documents necessary to have in place; and that the City does much of the items already in the planning and zoning areas, but there is room for improvement, particularly in clearly stating the process and timeline a potential developer will need to follow.

The City Planner discussed practices dealt through the County such as building inspections and that it is not a City function, and the State will be flexible based on how individual cities handle each matter; that the City needs to prepare a position statement and identify priority redevelopment sites; reviewed that the RRC program is rigorous and only 5 communities in the State have been certified to date; and reviewed a timeline that was developed for having in place those practices we need to focus on and the responsible parties.

City Councilmembers discussed initiating talks for sites that are potential redevelopment sites; if there are possibilities of ways the City could become more proactive in the development process; and that the City initiate a feasibility study of potential redevelopment sites.

Mayor Fraser asked for public comments and heard a comment that if a site has a PUD or is requesting a TIF, then there should be much more public input expected.

City Councilmembers further discussed how changes to the 200 Lake Street PUD would be affected with a differing proposal. The City Planner reviewed that both the Planning Commission and City Council would be involved in discussions and that the process is governed based on type of changes being requested.

This matter will be further discussed at a future City Council meeting.

Discuss Brownfield TIF Proposal for Great Lakes Center for the Arts and Bay Harbor Village Co., LLC

The City Manager reviewed that the Great Lakes Center for the Arts is being proposed as a regional arts center in the Bay Harbor Village. The estimated cost of construction is \$25M and the on-going operating costs are estimated at \$1M per year. The non-profit organization formed to develop the Center has made great progress in project financing, raising an estimated \$19.9M to date.

Great Lakes Center for the Arts representatives would like Emmet County and the City of Petoskey to consider a Brownfield TIF that would reimburse the non-profit (the Center) for eligible activities associated with environmental remediation, site preparation and some infrastructure costs for the new arts complex. They are also proposing approximately half of the tax increments to pay for infrastructure associated with the development of private lots near US 31 and the entrance to Bay Harbor. Over the course of 15-20 years, both the Center and Bay Harbor development would share an estimated \$4M in increment tax dollars for reimbursement of eligible activities.

The Brownfield eligible activities that can be reimbursed through the capture of increased incremental taxes generated by associated private development are contingent upon approval of a Brownfield Plan by the Emmet County Brownfield Redevelopment Authority, Emmet County and the City.

Approximately one-half of the eligible activity expenses are related to the Center and the other half will be to make the private lots ready for development. This property has not been developed over the last 17 years and the Center and the infrastructure improvements are anticipated to be the catalyst. Project representatives state the private development and captured incremental tax revenues are necessary to reimburse the extraordinary development costs for the Center. The Emmet County Board will be reviewing the project at their Finance meeting on February 8 and Administrative meeting on February 9.

Jill O'Neill, Great Lakes Center for the Arts representative, presented a brief video of the proposed Center; reviewed that project dates back to their approved master plans affecting Charlevoix and Emmet Counties with the focus on facilities; that the Center will create cultural tourism; reviewed employment base and that 10 fulltime positions will be created; that ticket sales typically provide 1/3 of operating costs, so Center will need annual foundation donations; that there is a 20 year estimate to recoup costs; and once eligible costs are paid off TIF ceases.

Ms. O'Neill reviewed that the upper east and upper west side will be residential and commercial that is appealing to Bay Harbor, guests, passerby's and the community as a whole.

Hear Council Comments

Mayor Fraser asked for Council comments and City Councilmember Marshall commented on the snow and that Mitchell Street bump outs need to be cleared more.

There being no further business to come before the City Council, this February 1, 2016, meeting of the City Council adjourned at 8:35 P.M.

W.J. Fraser, Mayor

Alan Terry, City Clerk-Treasurer