



CITY COUNCIL

May 2, 2016

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, May 2, 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 was Clerk-Treasurer Alan Terry.

Resolution No. 18964
Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of May 2, 2016, City Councilmember Dittmar moved that, seconded by City Councilmember Wills adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the April 18, 2016 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 April 18 for contract and vendor claims at \$658,478.64, intergovernmental claims at \$0, and the April 21 payroll at \$179,039.66, for a total of \$837,518.30 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Hear Public Comment

David Clink, Resort Township, also introduced himself and indicated he's running for County Commissioner as well.

Mayor Fraser asked for public comments and heard from Betsy White, 927 East Lake Street, who introduced herself and is running for County Commissioner and

Hear City Manager Updates

that Ward and City Conventions will be scheduled for July 11 and 13, 2016.

The Acting City Manager reported that spot sidewalk and curb repairs have begun throughout the downtown area; that the Char-EM ISD special election is tomorrow; and

The Acting City Manager reviewed that on April 18 City

Resolution No. 18965 - Approve
Brownfield TIF for Great Lakes Center
for the Arts & Bay Harbor Village Co.

Council discussed a Brownfield TIF proposal for Bay Harbor Village Company, LLC and the Great Lakes Center for the Arts and directed the plan be revised. The Acting City Manager reviewed the revised proposal including that interest was reduced to 3.5% which was a reduction of \$197,719 from the April 18 proposal; the plan will be for a maximum of 20 years with an 80%/20% split for tax increment finance dollars generated by the project, with the local units receiving the 20% portion; an annual increase in inflation on the base taxable value is included and estimated at 2%, with the additional tax dollars generated by the increase dedicated to the local units; and Local Site Remediation Revolving Fund will capture \$104,290 and will be earmarked specifically for future projects within the city.

The Acting City Manager also reviewed the changes made by Mr. McClelland to the plan's provision in the "Duration of Brownfield Plan" on page 12, which differed from the wording on page 13 of the April 12 version:

April 12 version – "The duration of the plan will be the time to capture taxes in an amount equal to the Eligible Activity obligation and (30) years from the **original adoption date**, whichever is sooner."

May 2 version – "The duration of the plan will be the time to capture taxes in an amount equal to the Eligible Activity obligation or **limited to (20) years from 2018, the first year of capture**, whichever is sooner."

The adoption date of the plan is tentatively set for some time in May of 2016, which under the April 12 version would end the plan in May 2036. The May 2 version would end the plan sometime in 2038. The Acting City manager recommended that January 1, 2018 be inserted into the language, so a specific ending date for the plan and tax capture can be established.

City Councilmembers inquired whether the plan was in the spirit of the Act and heard from those opposed to it; that plans were reviewed for Bay Harbor at township hall and it's not the city's purview to approve planning; that a 15 year Plan is more favorable than 20 years; questioned interest rate and amount based on time value of money on project costs; inquired if new development would happen without project; commented on public risk; that the project is a benefit to the community; and discussed property taxes paid by development.

Mayor Fraser asked for public comments and heard concerns on the potential of another TIF on library millage; heard from those in favor of new arts center; that Petoskey is discussed in Lansing area and how residents have been looking to bring in more homes to the Bay Harbor area for years; and that the project will create jobs in area, but won't happen without the new development.

City Council further discussed the plan and inquired if the school would be held harmless due to other tax dollars; and that January 1, 2018 be added to the duration of the plan and change in the resolution when the County meets on the proposal, to May 19, 2016.

City Councilmember Dittmar then moved that, seconded by City Councilmember Wills adoption of the following resolution:

WHEREAS, the Michigan Brownfield Redevelopment Financing Act, Act 381, P.A. 1996 as amended, authorizes municipalities to create a brownfield redevelopment authority to promote the revitalization, redevelopment, and reuse of contaminated, blighted, functionally obsolete or historically designated property through tax increment financing of eligible environmental and/or non-environmental activities with an approved Brownfield Plan; and

WHEREAS, the Emmet County Board of Commissioners established the Emmet County Brownfield Redevelopment Authority in January 1999 under the procedures under Act 381; and

WHEREAS, a Brownfield Plan for the Great Lakes Center for the Arts/Bay Harbor Village Co, LLC has been prepared that outlines the qualifications, costs, impacts, and incentives for the project for reimbursement of eligible activities from Brownfield Tax Increment Financing revenues with the adoption of the Brownfield Plan; and

WHEREAS, Act 381 requires the concurrence of the local unit of government in which the Brownfield Plan project is located for Brownfield Plans under County Brownfield Redevelopment Authorities, and the Great Lakes Center for the Arts/Bay Harbor Village Company, LLC Brownfield Project is located in the City of Petoskey; and

WHEREAS, subsequent to the City Council's concurrence, the Emmet County Brownfield Redevelopment Authority will consider the Brownfield Plan for the Great Lakes Center for the Arts/Bay Harbor Village Company, LLC and provide a recommendation to the Emmet County Board of Commissioners; and

WHEREAS, subsequent to the City Council's concurrence, the Emmet County Board of Commissioners will set and notice a public hearing for May 19, 2016 and will consider the Great Lakes Center for the Arts/ Bay Harbor Village Company, LLC Brownfield Plan at their regular meeting on May 12, 2016:

NOW THEREFORE BE IT RESOLVED, that pursuant to the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of 1996, as amended, being MCL 125.2651, *et seq*, the City of Petoskey City Council hereby concurs with the Brownfield Plan for the Great Lakes Center for the Arts/Bay Harbor Village Company, LLC dated May 2, 2016 as revised on page 12 establish a beginning date of January 1, 2018 for the 20 year tax capture period.

Said resolution was adopted by the following vote:

AYES: Murphy, Dittmar, Wills, Fraser (4)

NAYS: Marshall (1)

Hear Council Comments

Mayor Fraser asked for Council comments and heard from City Councilmember Wills that it is nice to see lake levels so high; and Mayor Fraser thanked Chief John Calabrese for his service over the last six years.

There being no further business to come before the City Council, this May 2, 2016, meeting of the City Council adjourned at 7:55 P.M.

W.J. Fraser, Mayor

Alan Terry, City Clerk-Treasurer