



CITY COUNCIL

June 6, 2016

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, June 6, 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, City Planner Amy Tweeten and Downtown Director Becky Goodman.

Hear Employee Recognition
Presentation

Mayor Fraser requested that retired Public Safety Director, John Calabrese, be recognized for his service to the City. The Mayor read aloud the following employee recognition:

WHEREAS, John Calabrese, City of Petoskey Public Safety Director officially retired on May 13, 2016, after six (6) years of outstanding and meritorious service to the residents of Petoskey; and

WHEREAS, John began his public safety career with the City of Eastpointe in 1987 and after 22 years of service retired as the Deputy Chief; and

WHEREAS, as a result to his commitment to public service, John joined the City of Petoskey Public Safety Department as Director in 2010; and

WHEREAS, throughout his six years of service, John has served as an example to his peers, the residents of Petoskey and the state of Michigan, both in his personal achievements and professional achievements, with fairness and dedication:

NOW THEREFORE, I, William J. Fraser, Mayor of the City of Petoskey, on behalf of the City Council and all Petoskey citizens take this opportunity to express our sincere and grateful appreciation, and hereby extend to John Calabrese, our congratulations on his well-earned retirement, and our best wishes to him for continued success, happiness and good health in the years to come.

Hear 2015 Audit Presentation

Trina Edwards and Heidi Wendel of Dennis, Gartland & Niergarth, Traverse City, were in attendance and 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, 2015. The audit-related communications letter was also reviewed.

Resolution No. 18969
Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of June 6, 2016, City Councilmember Dittmar moved that, seconded by City Councilmember Marshall adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the May 16, 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 May 16 for contract and vendor claims at \$710,801.14, intergovernmental claims at \$0, and the May 19 and June 2 payrolls at \$385,267.52, for a total of \$1,096,068.66 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

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

Hear City Manager Updates

The City Manager reviewed discussions regarding no parking on the north side of West Lake Street from Solanus Mission Church to Magnus Park to help make the non-motorized trail more safe; that the Downtown Summer Open House was a great success and thanked the downtown office staff; that the City received recycling recognition and that the new recycling carts will be in use in the next couple of weeks; that the water tower painting project has begun; that the Clarion Avenue resurfacing project is near completion; that the special Council meeting is scheduled for June 15 to hear an MEDC presentation; and that no date has been set for a joint City Council and DMB meeting.

City Councilmembers commented on the no parking on West Lake Street and that it may make the area near Wachtel and West Lake Street more congested; if there would be enough parking for residents and their guests; and why resident's parking should be given up for tourists.

First Reading of a Proposed Sign Ord.
that would Amend § 2.1, 5.1 & 7.1

The City Planner reviewed that due to Supreme Court ruling regarding sign regulations (Reed v. Town of Gilbert), communities have been reviewing their sign ordinances to ensure they are content neutral. The one area of the Petoskey Sign Ordinance that needed improvement was Section 5.1 Temporary Signs, which has been reviewed and recommended for changes by the Sign Committee and Planning Commission. As a result of these amendments, there are also changes necessary to Section 2.1 Definitions. In reviewing an appeal of a sign administration decision, the Planning Commission also recommended a terminology modification for "Directional Sign" to become "Informational Sign." This would involve amendments to Section 2.1 to add the definition and a change to the term in Section 7.1 from Directional Sign to Informational Sign with no change of regulation.

City staff also modified the regulation for political signs to remain consistent with existing language which is that signs must be removed within 15 days after the event.

City Council discussed the proposed ordinance amendments and will conduct a second reading at the June 20, 2016 meeting.

Discuss Priority Redevelopment Sites The City Planner reviewed that as part of the Redevelopment Ready Communities process, the City is asked to identify and prioritize sites for redevelopment.

The Planning Commission has discussed the topic for several months and came up with the following recommendations:

200 East Lake Street – The top priority site for the Planning Commission and they would be open to a range of uses that are consistent with the form of downtown. The Commission believes incentives should be considered for the purposes of mixed-income housing, public art, public parking and green infrastructure.

900 Emmet Street – The Planning Commission believes the former Hankey Lumber site is well positioned for redevelopment with the anticipated reconstruction of Emmet Street and extension of the Downtown Greenway Corridor in 2017. Consistent with the Old Town Emmet Neighborhood Plan, the Commission believes the site is ideal for workforce housing, and would support incentives for additional public space improvements such as an extension of the Greenway Corridor along the railroad tracks, or widened sidewalks for street-fronting commercial space that would help to activate the streetscape.

900-1000 Bay View Road – The former Tallberg car dealership site was chosen for the high visibility of the underutilized property and its Little Traverse Bay view. The current owner, KQC properties, has not come forward with any plans, but there was a proposal many years ago for condominiums and with the reconstruction of US-31 in a few years, redevelopment interest may increase. The zoning would allow commercial or residential uses, and the Commission believes incentives may be useful to protect view sheds in a future site plan.

Darling Lot and other Downtown Parking Lots – A fourth site that was discussed was the Darling Lot for construction of a parking structure that may or may not have associated commercial or residential space. The construction of this structure was discussed as critical to enabling upper floor residential downtown, and was also discussed during the development of the B-2B Mixed Use Corridor District as necessary for continued redevelopment along the Downtown Greenway Corridor south of downtown. Without this structure, there will be increased pressure to remove existing structures to create parking.

With the right proposal, the Planning Commission believes that all of downtown parking lots should be considered as potential redevelopment sites.

The City Planner reviewed that the areas discussed are either actively being marketed for redevelopment or as stated, in a good position for redevelopment due to pending public infrastructure investment. Other sites that were discussed and should remain under consideration for redevelopment of housing are the industrial areas adjacent to the Bear River, former Continental Structural Plastics, Poquette and Gibson.

City Councilmembers discussed priority of projects, the viability and discussed housing needs for low to middle income families.

Mayor Fraser asked for public comments and heard inquiries if the City had talked with current owners of these sites on development. The City Planner responded that staff had been in contact with all three private properties on future development.

City Councilmembers concurred with the Planning Commission's recommendation on the priority sites.

Discuss Walker Parking Study

The Downtown Director reviewed that plans to build structured parking on the site of the Darling Lot have been discussed for as long as the DMB has been in existence. The site was originally chosen because of its central location, its size and the flat surface. In the 2007 Blueprint study done by HyattPalma, survey results said that 54% of residents and 76% of businesses wanted to improve parking availability and that 62% of residents and 70% of business owners wanted to improve parking convenience. The study congratulated the City because at that time the parking situation was believed to be resolved with the creation of a TIF plan that would generate revenue and parking from the pending Petoskey Pointe development.

The 2013 Downtown Strategic Plan states, "That the creation of additional parking is a much cited priority of stakeholders and may likely be a top priority over the next five years." The plan also places a high priority on developing upper story housing and says, "That upper floor housing is truly wanted, the main roadblock to residential development – available parking, preferably covered parking – has to be developed."

The DMB has talked more and more about controlling what they can control and moving ahead to develop parking independently, as it has become evident that the 200 East Lake site and parking partnership with a developer may not happen in the very near future. The Downtown Director reviewed that when City Council developed the current CIP last year, funds were included to come from the Parking Fund for a parking study. DMB staff coordinated a proposal with Walker Parking Consultants for the completion of a Parking Study for the Darling Lot to take place yet this summer. Jake Jeppeson, who has been with Walker for over 24 years, will be the lead on the team. Jeppeson and Walker have a great deal of experience working in Petoskey having completed a study here over 10 years ago and an update when the Petoskey Pointe development was pending.

The scope of the work asks for the creation of two separate conceptual plans: one for a basic parking structure, and another for a parking structure that includes mixed uses. The cost of the study will be \$21,700, plus approximately \$900 in reimbursable expenses. There will also be costs associated with obtaining geotechnical and site survey information. The Downtown Director also reached out to Mac McClelland, Brownfield consultant, for information regarding what work would need to be done to officially determine if the Darling lot qualifies as a Brownfield. Officially declaring the site a Brownfield will make it eligible for State funding and this work can be done most efficiently and economically if it is done concurrently with the site survey and geotechnical information gathering. The geotechnical work needs to preclude the actual parking study and it is scheduled to begin very soon. Once completed, Walker will begin work and the study should be completed within 8 weeks.

City Councilmembers discussed the proposed study; inquired what the gain was if additional spaces would be taken up by new residential; that parking is key to second floor residential; and if the Planning Commission had involvement in this process.

Mayor Fraser asked for public comments and heard inquiries on the availability of property; if there was a desire for development; who the target market would be for downtown residential; and that less people downtown means less parking needed for the downtown and City's encouraging a parking problem.

Resolution No. 18970 – Establish
2016 Tax Millage Rates

The Director of Finance reviewed the proposed 2016 millage rates and tax revenue. City Council approved the 2016 Annual Budget at their December 7, 2015, meeting which included a provision for property-tax millage rates to remain the same as in 2015. City Council was now being asked to formally establish the millage rates necessary to provide the budgeted property-tax revenue approved in the 2016 Annual Budget for the General Fund, Library Fund and Right-of-Way Fund.

The Director of Finance reviewed taxable values and State's inflation rate and how it will roll back the City's millage rate; reviewed how tax revenue will be less than budget amounts; discussed how State revenue sharing is now projected to be more than budget; and that the Public Safety Director wage will be reduced and will make up for reduction in budgeted tax revenue.

City Councilmembers discussed how this will continue to affect future finances.

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

WHEREAS, as required by City Charter provisions, the City Manager on November 2, 2015 presented to the City Council the City's proposed annual budget for the 2016 fiscal year; and

WHEREAS, as also required by City Charter provisions, the City Council on November 16, 2015, conducted a public hearing to receive comments concerning the proposed budget, including rates of property-tax millages that had been estimated for levies during 2016; and

WHEREAS, following its review of the proposed 2016 Annual Budget, and after conducting a public hearing to receive comments concerning the proposed budget and estimated tax levies, the City Council on December 7, 2015, approved the 2016 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, 2016, millages in the amount of 7.6071 for general operating purposes, 0.4890 for solid-waste purposes, 1.7989 for library purposes, and 3.9174 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 13.8124 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, Murphy, Dittmar, Wills, Fraser (5)

NAYS: None (0)

Hear Council Comments

Mayor Fraser asked for Council comments and he commented that Summer Open House went well.

There being no further business to come before the City Council, this June 6, 2016, meeting of the City Council adjourned at 8:35 P.M.

W.J. Fraser, Mayor

Alan Terry, City Clerk-Treasurer