



CITY COUNCIL

February 20, 2017

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, February 20, 2017. 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: Kate Marshall, City Councilmember
Izzy Lyman, City Councilmember
Grant Dittmar, City Councilmember (Mayor Protem)
Jeremy Wills, City Councilmember

Absent: John Murphy, Mayor

Also in attendance were City Manager Robert Straebel, Clerk-Treasurer Alan Terry, City Planner Amy Tweeten, Downtown Director Becky Goodman and District Library Director Val Meyerson.

District Library Presentation

District Library Director Val Meyerson made a brief presentation concerning the Petoskey District Library and reviewed highlights of 2016. She reviewed millage renewals; that there is a new makers space area and children's librarian; that hours have been extended and are now open 7 days per week; that tax forms are available; that kindles can be checked out; that children in four area townships and the City can receive library cards free; that employees that work in the Library District can acquire a card; and that circulation is down in other communities, but up 1% in Petoskey.

Resolution No. 19043
Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of February 20, 2017, City Councilmember Marshall moved that, seconded by City Councilmember Lyman adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the February 6, 2017 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 February 6 for contract and vendor claims at \$1,689,005.41, intergovernmental claims at \$121,545.38, and the February 9 payroll at \$188,857.35, for a total of \$1,999,408.14 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Lyman, Dittmar, Wills (4)
NAYS: None (0)

City Councilmembers discussed taking motion off the table concerning the Pennsylvania Park restroom expansion project and its confusion.

Mayor Protem Dittmar asked for public comments and

Hear Public Comment

Jonathan Scheel, Bear Creek Township, introduced himself as a new Emmet County Commissioner; Ken Winter, 250 Water Street, Unit 2, thanked Councilmember Marshall for attending his class and talking to students at NCMC some of whom were in attendance; and Carlin Smith, Petoskey Regional Chamber of Commerce Director, commented that the transformational Brownfield proposed legislations is supported by the Chamber.

Hear City Manager Updates

The City Manager reviewed that an organization contacted the City to present clean energy initiatives at a future Council meeting to better inform Petoskey on becoming a clean community; that Public Safety and Resort/Bear Creek Fire Department responded to a fire in Bay Harbor last week and were able to save an adjacent home and commended Public Safety staff on their efforts; that an employee handbook has been started and will be reviewed by department heads; that department heads are not aware of any current or past use of the Housing Commission; that staff is working on two grants; one for the Marina and one for the Pennsylvania Park restroom expansion project; and that staff is looking at MERS options and paying down Unfunded Accrued Liability (UAL) and that more information will be provided to Council after the annual MERS valuation report is received.

City Councilmembers thanked City Manager for addressing UAL and commented that the previous Director of Public Safety looked into fire suppression in larger homes and may need to be reviewed again after the large fire in Bay Harbor.

Discuss Distiller License Application and LCC Approval – 330 W. Mitchell Street

The City Manager reviewed that Adam and Michael Kazanowski, owners of High Five Spirits, contacted City staff in the summer of 2016 with their interest in re-locating their distilling operation from Colorado to Petoskey after considering several northern Michigan communities. They provided a summary of their anticipated operation, which would be the re-distilling of bulk spirit into their Gypsy Vodka brand, rather than production from grain, which greatly reduces waste and impacts from the process. City staff provided contacts for several possible operation locations. The Kazanowski's settled on 330 West Mitchell Street for their production process with the location for a tasting room yet to be determined. The application process through the Michigan Liquor Control Commission (LCC) requires a recommendation by the local legislative body for consideration of the application.

City Councilmembers discussed type of distilling; inquired on building use; commented that the LCC will review public opinions; and that there are a few churches and a preschool within 500 feet of proposed location.

Mayor Protem Dittmar asked for public comments and heard comments that staff should look at more opinions from churches within designated area.

The City Manager reviewed that he will contact churches and schools within 500 feet of production facility and defer matter to the next meeting.

Discuss Walker Parking Study

The City Manager reviewed that in late 2016, the DMB commissioned Walker Parking Consultants to develop conceptual plans and cost estimates for the Darling Lot on Michigan Street and to update cost estimates on a 1995 parking deck study completed for the Lake Street/Division Street Lot across from the Emmet County Building. On February 13, the DMB Parking Committee discussed the Walker Study and identified the Lake Street/Division Street location as the more attractive site in which to explore the possible construction of a parking deck. City staff was looking for direction from City Council on whether to proceed with further research on either of the sites, mainly exploring financing options as well as identifying possible public or private partnerships that could assist in funding a multi-million dollar parking deck.

The City Manager further reviewed the two plans for the Darling Lot including a mixed-use parking deck with residential units on the top floor and a stand-alone design; compared estimated total costs for a mixed-use structure totaling \$9,180,038 and stand-alone structure at \$6,531,652; reviewed cost per parking spaces; net added spaces for each structure including an additional 148 spaces in a mixed-use vs. 153 spaces in a stand-alone; and reviewed advantages and disadvantages to constructing on the Darling Lot.

The City Manager also reviewed the updated Lake Street/Division Lot proposal and layout; that there are two concepts a 90-degree concept totaling an estimated \$3,953,152 and a 74-degree concept totaling an estimated \$3,795,450; net added spaces for each concept including an additional 113 for 90-degree and 121 for 74-degree; reviewed advantages and disadvantages to constructing a deck on this lot; that the City is looking for long-term support and a partnership with Emmet County on potential joint project; and that the Saville Lot may be another option for a parking deck.

City Councilmembers inquired on why the entire Darling Lot would not being utilized on the north side due to insufficient travel lanes for an additional row of parking; discussed available information on how much a parking space may be worth compared to revenues in the area; concurred to have City staff talk to Emmet County on possible partnership; and inquired if City is losing focus on 200 East Lake Street property.

Mayor Protem Dittmar asked for public comments and heard from a Petoskey Plastics representative that their office is growing and they are looking at options for future parking with MEDC, NLEA and other organizations; heard from a County Commissioner that he would fully support discussions with City and County on a potential deck and that he has spoken with Marty Krupa, County Administrator, on matter; that a parking resolution needs to happen soon; inquiry if garden area near Arlington Park could be used for parking; that off-site parking with a shuttle doesn't work; that the Lake Street deck is more favorable and discussions should begin with the County; inquiry on how decks are utilized in other communities such as Traverse City; that construction on the Darling Lot seems too expensive; that Lake/Division lot is a better location; that use of a shuttle could be implemented for parking in outlying areas; that merchants and employees should park in outlying areas; that parking should be free in the parking deck; and that there is no interest from merchants to pay for the cost to build parking deck.

City Councilmembers commented that Lake Street lot is most feasible to explore and that offsite employee parking does not work.

City Councilmember Marshall moved that, seconded by City Councilmember Wills to direct staff to begin discussions with Emmet County on a potential parking deck.

Said motion was adopted by the following vote:

AYES: Marshall, Lyman, Dittmar, Wills (4)

NAYS: None (0)

Resolution No. 19044 - Approve
Economic Development Strategic Plan

The City Manager reviewed that City Council reviewed the draft City of Petoskey Economic Development Strategic Plan on December 5, 2016 and directed staff to seek public comment from various community stakeholders. Copies were sent to the Petoskey Regional Chamber of Commerce, Downtown Management Board and placed on the City's website for several weeks.

The City Manager reviewed some changes to the document based on formal comments received which build upon the community strengths and highlight some of Petoskey's economic assets and challenges; discussed owners of redevelopment ready sites; that this plan is necessary as part of the Redevelopment Ready Communities designation; and that there is no commitment on behalf of the City by developing this plan.

City Councilmembers discussed adding language on page 10, last paragraph under Strategy and Tactics Summary to read “Redevelopment and in-fill development will be sensitive to their context relative to scale, character and placement and should have high community appeal and acceptance”; discussed resort community and option to add retirement community to plan; and that private schools should be noted under education on page 8.

City Councilmember Marshall moved that, seconded by City Councilmember Wills to approve the City of Petoskey Economic Development Strategic Plan with noted changes on pages 8 and 10.

Said motion was adopted by the following vote:

AYES: Marshall, Lyman, Dittmar, Wills (4)

NAYS: None (0)

Hear Council Comments

Mayor Protem Dittmar asked for Council comments and Councilmember Wills commented that it was nice to see County Commissioner representation at the meeting with hopes that this is a start of a good relationship with the City; Councilmember Lyman noted she has started a Second Ward Facebook page; Councilmember Marshall had concerns with sidewalk snowplowing; and Mayor Protem Dittmar thanked Council and the public for comments.

There being no further business to come before the City Council, this February 20, 2017, meeting of the City Council adjourned at 9:15 P.M.

Grant Dittmar, Mayor Protem

Alan Terry, City Clerk-Treasurer