



CITY COUNCIL

March 20, 2017

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, March 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: John Murphy, Mayor
Kate Marshall, City Councilmember
Izzy Lyman, 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, Public Safety Director Matthew Breed, Public Works Director Michael Robbins, Parks and Recreation Director Allen Hansen, new Parks and Recreation Director Kendall Klingelsmith and City Attorney James Murray.

Hear Employee Recognition
Presentation – Allen Hansen

City staff prepared an employee recognition document that the Mayor read aloud at the beginning of the meeting recognizing Allen Hansen, Director of Parks and Recreation, on his retirement and service to the City of

Petoskey.

WHEREAS, Al Hansen, City of Petoskey Parks and Recreation Director, will officially retire on March 31, 2017, after twenty-nine (29) years of outstanding and meritorious service to the residents of Petoskey; and

WHEREAS, Al was responsible for the City receiving millions of dollars in grant funding for land acquisition and park development; and

WHEREAS, Al has been instrumental in the development of the defining attributes of Petoskey including Bayfront Park, the Bear River Valley, and the Little Traverse Wheelway among MANY, MANY others; and

WHEREAS, Al was a constant presence at community and sporting events and a tireless proponent of the City parks and recreation programs; and

WHEREAS, throughout his twenty nine years of service, Al has been a dedicated servant to the residents of Petoskey, setting an example to his peers throughout the state of Michigan:

NOW THEREFORE, I, John Murphy, 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 Al Hansen, 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 MDOT Presentation on US 31 Bluff Project & Detour

MDOT representative Matt Radulski, presented a brief PowerPoint presentation regarding the upcoming US 31 Bluff project and scheduled detour beginning early April. Mr. Radulski reviewed that MDOT will be installing a soil retaining wall to stabilize certain areas of erosion along US 31 between Winter Park Lane and Beaubien Avenue.

Public comments were received inquiring on what the speed limits will be on Arlington Avenue while detour is in place; length of project; if Arlington Avenue is considered a Class A road; if there will be limited parking during detour; and that it would be nice to see sidewalks on the north side of the highway.

Mr. Radulski responded to comments and that there will be free-flow traffic on Arlington with no change in speed limit, unless City decides; that the project is anticipated to be completed in 5 weeks; and that Arlington Avenue is a Class A road.

The Director of Public Safety reviewed that there will be additional enforcement during project and detour.

Department of Public Safety Honor's Board Presentation

The Department of Public Safety Honor's Board had recently authorized awards to Officers and citizens for meritorious service. Department of Public Safety Director Matthew Breed presented awards to Public Safety Officers, EMS Staff, Officers and Troopers around the State and citizens for their commendable service throughout the community including lifesaving awards, citizen awards, a Chief's Award and Public Safety Citation Award. Mayor Murphy also presented a Mayor's Award.

Resolution No. 19050 Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of March 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 March 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 March 6 for contract and vendor claims at \$4,459,254.83, intergovernmental claims at \$1,750,660.34, and the March 9 payroll at \$188,074.51, for a total of \$6,397,989.68 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Lyman, Dittmar, Wills, 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 the annual audit will begin next week; reviewed three TIFA projects including

engineering and design for a new stair tower between Sunset Park and Bayfront Park, new playground equipment at Magnus Park and new landscaping near Festival Shelter beach area that City Council will consider at a special meeting on March 28; that the City received \$10,000 today from the Local Revenue Sharing Board for the Public Safety Department and will receive an estimated \$20,000 in 2017 and then thereafter 13.8% of net gains will be allocated annually to the City for public safety purposes; that the City was awarded \$4,500 in partnership with Tip of the Mitt to construct one public rain garden for Phase II of the Greenway Corridor; that small yard waste collection program begins April 6 through June 1; that brush chipping and disposal is available on the first and third Monday of each month from April through November; that winter parking restrictions end April 1; and that capital improvement projects including Emmet Street reconstruction, Bayfront Park Drive water main installation and Bear River East Lift Station rebuild will begin in the next couple of weeks depending on weather.

Hear Proclamation
Sexual Assault Awareness Month

Mayor Murphy reviewed that he received documentation and a request from the Women's Resource Center of Northern Michigan to declare April 2017 to be Sexual Assault Awareness Month. Mayor Murphy reviewed that the proclamation would recognize April as "Sexual Assault Awareness Month in Petoskey" and emphasize the City's commitment to this important issue. Mayor Murphy then proclaimed the following:

WHEREAS, sexual assault affects women, children and men of all racial, cultural and economic backgrounds; and

WHEREAS, in addition to the immediate physical and emotional costs, sexual assault may also have associated consequences of post-traumatic stress disorder, substance abuse, depression, homelessness, eating disorders and suicide; and

WHEREAS, sexual assault can be devastating for not only the survivor, but also for the family and friends of the survivor; and

WHEREAS, no one person, organization, agency or community can eliminate sexual assault on their own, but we can work together to educate our entire population about what can be done to prevent sexual assault, support victims/survivors and their significant others and increase support for agencies providing services to victims/survivors; and

WHEREAS, Sexual Assault Awareness Month provides an excellent opportunity for citizens to learn more about preventing sexual violence before it can start and to show support for the numerous organizations and individuals who provide critical advocacy, services and assistance to sexual assault survivors; and

WHEREAS, the City of Petoskey strongly supports the efforts of national, state, and local partners, and of every citizen, to actively engage in public and private efforts to prevent sexual violence. It's time for all of us to start conversations, take appropriate action and support one another to create a safer environment for all.

NOW, THEREFORE BE IT RESOLVED, that I, John Murphy, Mayor of the City of Petoskey, support efforts to eliminate sexual assault and hereby declare April, 2017 to be in our city

SEXUAL ASSAULT AWARENESS MONTH

Acknowledge Receipt of Planning

The City Manager reviewed that pursuant to the Michigan Planning Enabling Act, the City Council had

Commission Annual Report for 2016 been provided a copy of the 2016 Planning Commission Annual Report, as part of its March 20 agenda materials, and that City Council was being asked to acknowledge receipt of this 2016 annual report.

The City Planner reviewed and commented on various areas of the annual report.

Discuss Work Force Housing

The City Planner reviewed that at its March 6 meeting City Council heard a presentation by Sarah Lucas from Networks Northwest on housing issues facing the region.

The City Planner reviewed that housing issues have, and continue to be, addressed by the City in a number of ways and reviewed a summary of past and on-going actions including the following:

Approval Process

As mentioned by Sarah Lucas, a protracted approval process is costly and a deterrent to developers. It is also true that multiple family developments tend to face opposition from neighbors, whether the concerns are legitimate or not. Through the RRC process, we are examining our approval process to make sure it is efficient and educating boards and commissions on their roles and the importance of following established ordinances.

Accessory Dwelling Units

Accessory dwelling units (ADUs) are seen as a way to provide multiple generational housing or workforce housing by allowing an accessory unit on a single family parcel. ADUs were discussed by the Planning Commission in 2015, but not seen as a real solution to affordable housing needs given the cost of construction and number of residents that might want to construct. There was also a concern about them being used as vacation rentals rather than for family members/workforce housing. Given number of violation notices sent to owners advertising on Air B&B and VRBO and calls staff receives from realtors and potential purchasers about the ability to use residential structures for vacation rentals, this is a legitimate concern. Some communities only allow ADUs on principal residence properties, but enforcement is always the challenge.

Density Restrictions

Zoning can be an impediment to affordable housing if it tightly restricts density, but staff does not believe this is the case in Petoskey. The City does not have large-lot requirements and our multiple family districts have density allowances between 10-15 units/acre (RM-1) and 16-27 units/acre (RM-2). We have also successfully used PUDs to allow higher density at Harbor Watch and Crestview Commons and there are no density limitations in the CBD, B-2A or B-2B Districts.

That said, the Commission has discussed adding the ability for incentives such as increased height in a PUD that included income-restricted units. However, in order for this to actually create units, the incentive has to provide sufficient economic benefit to the developer. This is an action that could be taken in a short timeframe, but would not in itself create affordable units.

Fees and Charges – Utility Connections

Affordable housing projects require incentives and subsidies. When the state is looking to provide grant funding, they want to see that the local community doing its part to encourage and support the development. A reduction in utility connection fees or other fees for affordable units is one way a community can contribute.

Inclusionary Zoning

This is a zoning policy that requires all new developments to have a certain percent of units affordable (generally between 51% and 80% of area median income (AMI)). This is not something we have considered as we are not experiencing a lot of new housing construction, but it is something that could be put in place.

Zoning Ordinance Amendments

The Commission has reviewed the single and multiple family zoning districts to determine whether regulations are inhibiting residential construction in general, as well as looking at regulations for different housing types. The regulations that have been amended include allowance for two-unit structures as a special condition use in all single family districts, elimination of density requirements in the B-2, B-2A and B-2B Zoning Districts, and allowance of home-based businesses in all residential districts. The Commission is currently reviewing the RM-2 District regulations for changes to boarding houses and other group housing that will be recommended to City Council in the very near future.

Payments in Lieu of Taxes (PILOTS)

PILOTS are required for a developer to receive low income housing tax credits, and create a mechanism for the community to receive some payment for services provided based on an established formula. It is a way to keep residential units affordable over time, rather than units starting out affordable and then going market rate. This is something the City has successfully used for the development of affordable housing at Riverview Terrace, Little Traverse Woods, and Crestview Commons apartments.

Grants for Rental Rehabilitation and Homeowner Improvements

The City received a Rental Rehabilitation Grant to renovate 7 apartments on Waukazoo Avenue. This program requires that 51% of the units be made available to renters making 80% or less of area median income for a period not less than 5 years. This is a program that will likely continue, and could be used again, however, it does not create permanent affordability.

The Emmet County Housing Council administers a 2-year homeowner loan program through MEDC that is available to homeowners that make 80% or less of area median income and assist with maintenance, repairs and weatherization. Emmet County also has an annual allocation that is used to supplement this program.

Sale of City Property

The City offered the City-owned lot on Washington Street for sale through a RFP process without any interest. The City could consider a partnership with a non-profit organization to have home construction on this lot – as well as other City-owned property- through land donation and a waiver of utility hook-up fees.

Identification of Priority Sites

Through the RRC program, the City has determined a site that would be ideal for workforce housing at 900 Emmet Street. The property owner is willing to work with a development team on a mixed-use development and there has been a moderate level of interest in the site. Affordable housing WILL require incentives of some nature.

Land Bank Authority

The Emmet County Land Bank Authority can accept tax-reverted properties and resell for desired development. Several Land Bank properties in the City have been sold to private and not-for-profit organizations. A property at 33 Bridge Street has taken several years, but will soon have single home construction completed by Northwest Michigan Community Action Agency for a buyer that makes 80% or less of the area median income. Others have been purchased and rehabilitated (419 Liberty Street), but some remain vacant lots (915 Petoskey Street).

The City Planner further reviewed that City Council could consider the following actions to be proactive:

- Revisit allowance of ADUs. There could be requirements created for lots of a minimum size, setbacks, owner-occupancy of one units, minimum occupancy period, etc.
- Adopt a PILOT policy to provide parameters under which a PILOT would be considered.
- Adopt a policy for the waiver or reduction of utility connection charges and other City fees for affordable housing projects.

- Actively participate with area governments to develop regional solutions such as a regional housing authority.
- Continue to support improved public transportation for Emmet County to address the housing cost/transportation need reality of the region.

City Councilmembers inquired on how quality is maintained on rental units since the rental occupancy rate is 45% and if Planning Commission has discussed; and inquired on what percentage of rentals is considered good.

The City Planner responded that IPMC has helped with maintenance of properties; that many are owner occupied that are in disrepair; that some say 40% is good, but depends more on how they are managed.

Mayor Murphy asked for public comments and heard a comment that a number of houses have been destroyed, but no rentals; and that there are plenty of owner occupied homes that are in disrepair.

Hear Council Comments

Northmen Drive and Atkins Road.

Mayor Murphy asked for Council comments and Councilmember Lyman inquired on how pet dispensers are located and installed and if some could be added on

Resolution No. 19051
Recess to Closed Session

privilege and exempt from disclosure under

Section 13(1)(g) of the Freedom of Information Act. City Council was being asked to adopt a resolution that would recess to a closed session pursuant to Section 8(d) and (h) of the Michigan Open Meetings Act, to consider written communications protected by the attorney-client

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

WHEREAS, the City Manager has requested that the City Council recess to a closed session, pursuant to Section 8(d) and (h) of the Michigan Open Meetings Act, to consider written communications protected by the attorney-client privilege and exempt from disclosure under Section 13(1)(g) of the Freedom of Information Act following the conclusion of routine business at the City Council's regular meeting of March 20, 2017:

NOW, THEREFORE, BE IT RESOLVED that the City Council does and hereby authorizes to adjourn to a closed session, to consider written communications protected by the attorney-client privilege.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Recessed to closed session at 8:25 P.M. and reconvened into open session at 9:10 P.M.

There being no further business to come before the City Council, this March 20, 2017, meeting of the City Council adjourned at 9:11 P.M.

John Murphy, Mayor

Alan Terry, City Clerk-Treasurer