



City of Petoskey

Agenda

CITY COUNCIL

April 30, 2018

Special Meeting

1. Call to Order – 5:30 P.M. - City Hall Community Room
2. Recitation - Pledge of Allegiance to the Flag of the United States of America
3. Roll Call
4. New Business – Discussion on status of 2015 Action Plan and identification of future City goals
5. Adjournment



City of Petoskey

Agenda Memo

BOARD: City Council

MEETING DATE: April 30, 2018

PREPARED: April 19, 2018

AGENDA SUBJECT: Status of 2015 Action Plan & Identification of Future Goals

RECOMMENDATION: That the City Council discuss with identification of future City goals

Summary City Council has requested a special meeting to discuss the status of the City's 2015 Action Plan as well as identify new goals for the City to pursue over the next 2-3 years. The meeting will be held in the upstairs Community Room at City Hall. Enclosed is the 2015 Action Plan with a brief description of the status of each of the City goals.

Please be ready to discuss specific, measurable, attainable and relevant goals for this special meeting. Sandwiches, salad, fruit and cookies will be provided at 5:15 P.M. if you wish to come early.

Action Discussion with direction to Staff.

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Enclosure

**City of Petoskey
2015 Action Plan**

Goal One Insure a Long-Term Sustainable City Budget

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline</u>
<u>Highest priority strategies</u>			
1. Consider four specific new revenue sources to increase total revenues for the City <ul style="list-style-type: none"> • Seek voter approval to establish a public safety millage • Seek voter approval of a Headlee override to reset the millage rate • Impose a tax administration fee to cover the costs of levying the property tax • Impose a public safety cost recovery fee to reimburse the City for the extraordinary costs associated with responding to accidents 	City Council City Manager Director of Finance	Direction will need to be given as to which of the sources warrant the kind of detailed analysis that would be necessary, especially with respect to the first two, where a ballot question is involved.	Decision by October 1, 2015
2. Develop and implement a comprehensive educational/informational campaign to explain to residents the need for additional revenues to insure sustainability <ul style="list-style-type: none"> • Prepare an analysis that compares the revenue we are raising in 2015 with that which was raised 5, 10, and 15 years ago to demonstrate the need for a revenue increase • Prepare an analysis of budget reductions and service efficiency efforts over the past 6 or 7 years to indicate what has been done already to secure financial sustainability • Prepare a comparative analysis showing the services that we provide with current revenue and the service and revenue packages for comparable communities • Prepare an analysis of the impact on service levels of further budget reductions over the next 5 years 	City Council City Manager Director of Finance	Consider whether we can effectively support the services that we currently provide. This would suggest the value of an analysis of current service levels and costs, and the impact of reducing services if resources continue to be limited. Such an analysis might be incorporated into the educational plans suggested in strategy two.	March 1, 2016

Goal One – Status Update April 30, 2018

1. In August of 2016, City voters approved a five-year .75 mill tax increase for purchase of fire equipment addressing short-term firefighting equipment needs. A 100' ladder truck was purchased with additional tax revenues in 2016 with replacement of a 1984 Pumper truck (estimated at \$450,000) slated to occur in the next two years. These two purchases are consistent with the Fire Equipment Needs Assessment report completed in October of 2015. Long-term fire-fighting capital equipment needs such as replacement of two rescue pumpers and a 70' ladder truck still must be addressed. These purchases are approximately 8-10 years out and the Public Safety Director is looking at a long-term equipment replacement schedule and funding plan.
2. In the past three years, the City Council has considered a 1% tax administration fee or other additional revenue sources but has voted against including in the annual budgets. "Comprehensive educational/informational campaign" was associated with solidifying another revenue source and was completed with passage of fire-fighting mill levy.

Goal Two

Plan for New and Replacement Infrastructure to Accommodate the future

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline</u>
<u>Highest priority strategies</u>			
1. Identify, perhaps by extending the Capital Improvement Plan (CIP), the long term infrastructure needs of city departments, indicating both new and replacement needs as well as long term infrastructure maintenance requirements	Director of Public Works Director of Finance Director of Parks and Recreation City Planner City Manager	Extending analysis further into the future may provide a clearer picture for City officials and residents of the City's infrastructure needs over the long term.	A routine process has been developed whereby the CIP is publicly presented to the Planning Commission for their review and approval, and detailed public presentations are done for City Council on a project by project basis. In recent years the CIP was altered to more explicitly tie proposed projects to projected revenues. Proposed projects list both an estimated cost, but also the funding source, with the total funding available being projected by the Director of Finance.
2. Consider specific revenue sources for infrastructure and capital expenditures; for example, a public safety millage to provide additional revenue for replacement of public safety equipment	City Manager Director of Finance	Discussion was whether such a millage would be short term (3-4 years) and designed only to cover equipment replacement; or as an alternative, establishing the equivalent of a sinking fund through a new continuing millage that would cover a broad range of infrastructure needs across City departments.	December, 2015
3. Aggressively pursue grants to support specific infrastructure needs, including Bureau of Indian Affairs funding for streets where appropriate	Director of Public Works Director of Finance Director of Parks and Recreation City Planner City Manager	A master list of past awarded grants along with deadline dates would assist Staff in maximizing grant dollars awarded to the City.	On-going
4. Explore reclassifying appropriate city streets to increase the level of state road funding	Director of Public Works City Manager	This has been done to some extent in the past and involves careful study of traffic data to make a case for MDOT consideration.	1-2 years

Goal Two – Status Update April 30, 2018

1. The City is nearing completion of a three-year program to establish a long-term Asset Management Plan (AMP) for storm water management. Over \$900,000 in Storm water, Asset Management and Wastewater (SAW) grant funding was used for this purpose. The plan inventories the current condition of the storm water assets, rates the overall condition and life span of the infrastructure, and creates a capital improvement plan for future storm water improvements. Also, the City created Asset Management Programs for both the water and sewer systems identifying long-term infrastructure needs. The Wastewater Treatment Plant is currently undergoing a \$4.5 million upgrade enhancing operations and treatment processes to serve the long-term wastewater treatment needs for many years to come. In 2016, the City completed a full inventory of street conditions using the Pavement Surface Analysis and Rating System. The road rating is typically completed every 2-3 years.
2. Addressed in Goal 1 - #1.
3. City has been very successful in obtaining grant funding with grants for the following: marina improvements, bicycle/pedestrian trail expansions, downtown bathroom upgrades, storm water management, bridge and street improvements, footbridge design, rain gardens, sustainability planning (pending-through the Petoskey/Harbor Springs Community Foundation and C.S. Mott Foundation), annual revenue sharing from gaming proceeds and SCBA funding. Anticipating \$1.5 million in grant funding for 2018.
4. Plans are to classify the Jackson Street road extension project to a major street to qualify for Act 51 Road Funding. Also, Northmen Drive, once officially accepted by the City, will be added to the major street inventory.

Goal Three Diversify and Strengthen the City’s Economic Base

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline</u>
<u>Highest priority strategies</u>			
1. Create an inventory of vacant and/or underutilized property for marketing purposes	City Manager City Planner	Marketing will be done by other area partners such as Northern Lakes Economic Alliance. There might be some external funding to support such an inventory, but it would be a required element of the Redevelopment Ready Certification process used by MEDC.	January, 2016
2. Develop a handbook that identifies City policies, processes, and costs for development or redevelopment in the City	City Planner City Manager	First three strategies are related to the process of securing state redevelopment ready certification. The process is labor intensive, but would put the City in a position to market itself through NLEA as “redevelopment ready.” Program URL: http://www.michiganbusiness.org/cm/files/factsheets/redevelopmentreadycommunitiesprogram.pdf	January, 2016

Goal Three Diversify and Strengthen the City’s Economic Base (Con’t)

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline</u>
3. Articulate a policy, even a general framework if necessary, governing the City’s position on supporting development/redevelopment efforts through incentives of various kinds	Director of Finance City Planner City Manager	Policy could include incentives through tax abatements, types of grant funding City may support and other economic development programs.	March, 2016
4. Consider pursuing Redevelopment Ready Community Certification from the state MEDC	City Planner	Program will be instrumental in marketing vacant properties and is a requirement for many state grant programs.	June, 2016
5. Reexamine parking requirements for commercial uses outside the downtown area in the Zoning Ordinance	City Planner	The key is to recognize that even permitted uses in a commercial zone can change over time, and some uses have greater needs for onsite parking than others.	April, 2016

Goal Three – Status Update April 30, 2018

1. The City’s approved Economic Development Strategy and Marketing Strategy both identify vacant land that is underutilized and prime land for redevelopment purposes. The three land parcels consist of 200 East Lake Street, Gruler/Demmer property along Emmet Street, and the Michigan Street Parking Lot. The marketing efforts appear to be bearing fruit as many developers have shown an interest in both the 200 East Lake Street and Gruler/Demmer locations; although no formal applications have been submitted at this point.
2. The City Planner has completed a “Developer’s Handbook” as part of the MEDC Redevelopment Ready Communities (RRC) program. The Handbook is on the City’s website under Planning and Zoning.
3. An economic development incentive policy was drafted for 200 East Lake Street. Both the Planning Commission and City Council did not support. Nevertheless, the RRC Economic Development Strategy has identified economic incentives for the three redevelopment sites that may be considered by City Council when reviewing development proposals.
4. The Redevelopment Ready Communities program is approximately 88% complete (lacking Council approval of the Public Participation that will be considered at the May 7 City Council meeting). The MEDC will then consider whether the City has satisfied all the criteria to be formally certified as a Redevelopment Ready Community.
5. In October of 2016, City Council approved Ordinance 756 regarding parking requirements for different zoning districts as well as uses. The ordinance format was simplified and consolidated into one section. The ordinance allows more flexibility such as shared parking agreements that is recommended by the Redevelopment Ready Communities program. The ordinance also requires bicycle parking for developments of a certain size, limits the amount of parking in a front yards and restricts more than one curb cut for residential uses.

Goal Four Identify and Address Downtown Development Issues

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline</u>
<u>Highest priority strategies</u>			
1. Consider several specific strategies to increase parking or parking access in the downtown area	City Manager City Planner Director of Public Works DMB	Focus is to increase number of parking spots and also consider improving access to parking lots (i.e. use alleys or walkways from lots on the outer edge of downtown with clear marking to indicate access to downtown).	September, 2016
2. Examine and remove to the extent feasible obstacles to downtown residential uses	City Planner City Manager DMB	Alternative approach is to consider local transit or “park and ride” arrangements	September, 2016
3. Consider whether property code enforcement should be expanded in the downtown area	Public Safety Director	Encourage all downtown property owners to maintain their properties, given the importance to the City’s economy of a vibrant downtown.	October, 2015

Goal Four – Status Update April 30, 2018

1. The DMB completed a parking study for the Michigan Street parking lot showing conceptual drawings and cost estimates for a stand-alone parking deck as well as a deck with a transfer plate for possible residences on the top floor. Costs estimates were also updated for the Lake Street/Division Street parking lot. At the February 20, 2017 City Council meeting, elected officials instructed the City Manager to approach Emmet County about a possible partnership to construct a parking deck at the site. A letter was sent to Emmet County but no official response has been received. With each street project, the City considers designs that optimize street parking spaces in our downtown area. For example, with the 2019 MDOT U.S. 31 realignment project, the City is looking to increase street parking by a few spaces along Lewis Street. (The City is working with MDOT on finalizing the project specifications with a presentation to City Council on May 21, 2018).
2. Rail trolley transportation idea was considered but ultimately nixed for financial, logistical and compatibility issues with Phase II of the Greenway Corridor. Since 2015, ten new residential units have been constructed above storefronts on Mitchell Street with two new units forthcoming on Howard Street.
3. On a bi-annual basis, the Public Safety Department visits each downtown business with a self-inspection form as it relates to the fire code. The public safety officers offer to do the inspection for free. Typically, the participation rate is 37% for downtown businesses. While completing fire inspections, City staff would also look into IPMC violations. Other than that, specific code inspections are generally complaint-driven. On a second front, the DMB’s draft 2018 Strategic Plan identifies future maintenance of buildings as an issue and recommends expanded inspections and building maintenance standards need to be created and enforced. The DMB also offer façade grants to improve the overall appearance of downtown storefronts. Since 2009, the DMB has allocated \$113,400 in grant funding for 30 storefronts in our community.