



CITY COUNCIL

March 6, 2017

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, March 6, 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

Absent: Jeremy Wills, City Councilmember

Also in attendance were City Manager Robert Straebel, Clerk-Treasurer Alan Terry, City Planner Amy Tweeten, Parks and Recreation Director Al Hansen and Downtown Director Becky Goodman.

Networks Northwest Workforce Housing Presentation

Sarah Lucas from Networks Northwest gave a brief presentation highlighting some approaches other communities have undertaken on workforce housing issues. Ms. Lucas reviewed community development areas focused on housing; aging demographics; that 20-25 year olds are coming home to live; that workforce shortages are hurting businesses; rentals are in largest demand vs. purchasing; smaller homes are needed; zoning issues can be a problem; missing middle housing such as units or flats; that minimal financing is available in Northern Michigan for nonprofits and private developers; that there are some tax incentives such as TIFA's or PILOTS; and reviewed Habitat housing in Traverse City.

City Councilmembers inquired if limits on rates for rentals were short term or longer. Ms. Lucas responded that rentals could be short term but depends on funding.

Mayor Murphy asked for public comments and heard inquiries if public transit could be used for people outside of housing area and that \$3-4M should be spent on housing vs. parking. Ms. Lucas reviewed issues with lack of public transit in the communities.

Resolution No. 19045 Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of March 6, 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 20, 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 20 for contract and vendor claims at \$1,311,236.98, intergovernmental claims at \$128,769.78, and the February 23 payroll at \$189,296.78, for a total of \$1,629,303.54 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

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

Hear Public Comment

Mayor Murphy commented on racially offensive sign at US-31 and Mitchell Street intersection over the weekend during a peaceful protest and called for respect of others.

Public comment was received from various individuals regarding the sign at the demonstration. A resident on Division Street was also not in support of a parking deck along Division and Lake Streets due to the height of the structure.

Hear City Manager Updates

The City Manager echoed racism issues aren't tolerated; reviewed that the City was applying, with the Tip of the Mitt for a grant to sustain the Great Lakes; that a green

infrastructure presentation will be at a future meeting; that the City Manager's office received correspondence regarding a parking deck at the County lot; that Gina Ellenberger was hired as the new Public Safety Office Assistant; that there is interest for possible train service in Petoskey; and that the City received a donation from the Garden Club to plant near tunnel replacing plant beds.

Resolution No. 19046 Approve Small Distiller License Application – High Five Spirits – 330 W. Mitchell Street

The City Manager reviewed that this was the second discussion regarding the City supporting an application for a small distillery license for High Five Spirits, Alanson. City Council directed staff to contact the three churches located within 500' of the proposed distillery. The City

Manager reviewed that he spoke to representatives from Zion Lutheran Church and Preschool, Word of Life Community Church and First Christian Church and representatives from all three establishments stated no opposition to the proposed distillery at 330 West Mitchell Street.

Mayor Murphy asked for public comments and a homeowner located on the street behind the distillery location had concerns on hours of operation and trucks coming and going. The owner stated the small operation would have very limited traffic.

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

WHEREAS, High Five Spirits is a vodka company based in Alanson, Michigan, that currently produces its spirits in Colorado, with distribution throughout Michigan; and

WHEREAS, High Five Spirits is seeking a small distillers license from the Michigan Department of Licensing and Regulatory Affairs Liquor Control Commission (MLCC) to allow production in Michigan; and

WHEREAS, A small distiller is defined as one that produces less than 60,000 gallons of spirits a year; and

WHEREAS, High Five Spirits has identified 330 West Mitchell Street as a location for its spirit production in the City of Petoskey; and

WHEREAS, 330 West Mitchell Street is within the B-3 General Business District where City staff has determined such an operation could be located; and

WHEREAS, the MLCC requires local legislative recommendation on a new small distillers license as part of the application process:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does hereby recommend that the application for a small distillers license for High Five Spirits be considered for approval at 330 West Mitchell Street, Petoskey, Michigan, by the Michigan Liquor Control Commission.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Resolution No. 19047 – Approve
Land & Water Conservation Fund Grant
for new Pennsylvania Park Restrooms

The City Manager reviewed that City Council directed staff to prepare a Land and Water Conservation Fund Grant application to assist in the development and construction of the restroom facility at their February 6 meeting. The Parks and Recreation Commission conducted a public hearing on February 13 to receive comments on the proposed LWCF grant project to construct the Pennsylvania Park restroom at an estimated cost of \$300,000. The LWCF grant requests \$150,000 in funding which represents 50% of the proposed project cost. Two public comments were received in support of the project. The Parks and Recreation Commission unanimously supported the project and adopted a resolution asking that City Council support the submission of the grant application for \$150,000 in funding from the Land and Water Conservation Fund, set aside \$150,000 in grant match funds and further consider authorizing the City Manager or his designee to serve as the City's representative for the project.

The City Manager reviewed the 1964 agreement with the Chamber of Commerce; that grant reviewers discussed the agreement and building restrictions; that the cost was included in the CIP; and reviewed the architect's proposed drawings.

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

WHEREAS, the City of Petoskey desires to enhance its parks and recreational facilities for the betterment of use by our park users; and

WHEREAS, the need to improve and construct a larger, more visitor friendly restroom facility in Pennsylvania Park has been identified in the City of Petoskey 2013-2017 Parks and Recreation Master Plan; and

WHEREAS, the State of Michigan Department of Natural Resources is accepting 2017 Land and Water Conservation Fund grant applications for eligible development projects that include restroom facilities; and

WHEREAS, the City of Petoskey Parks and Recreation Commission is in support of the construction of the new restroom facility with a projected cost of \$300,000 and recommends that the Petoskey City Council resolve to sponsor the proposed \$150,000 Land and Water Conservation Fund grant application to Michigan Department of Natural Resources for the Pennsylvania Park restroom construction and commit to undertake this project, if funded, and commit \$150,000 in project match; and

WHEREAS, the City Council concurs with the recommendation made by the Parks and Recreation Commission for the submittal and terms of the Land and Water Conservation Grant application:

NOW, THEREFORE, BE IT RESOLVED, that the City of Petoskey City Council does and hereby confirms its intent to submit a Land and Water Conservation Fund grant application to the Michigan Department of Natural Resources in the amount of \$150,000 for construction of the Pennsylvania Park restroom project; and

BE IT FURTHER RESOLVED, that the City of Petoskey City Council does hereby confirm its intent to authorize the City Manager, or his designee, to serve as the City of Petoskey's representative for the project, authorize submission of the Land and Water Conservation Fund grant application for the construction of the Pennsylvania Park restrooms to the Michigan Department of Natural Resources in the amount of \$150,000 (50% match toward the \$300,000 project) and set aside \$150,000 for the local project match.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Resolution No. 19048 - Approve
Waterways Infrastructure Grant
Application for Marina Electrical Upgrades

Parks and Recreation Director Al Hansen reviewed the proposed project and that in 2016, as part of the decking project on Pier B, electrical upgrades were required to bring the electrical systems on the dock into compliance with existing National Electrical Code requirements. City staff felt it is prudent to upgrade Piers A, C and D to bring them into compliance with current proposed and 2017 NEC code requirements. Mr. Hansen reviewed the various upgrades; that every 9 pedestals are grouped to determine any issues with boats; reviewed estimated project costs of \$198,830; and that GRP is doing preliminary engineering.

The City, upon approval, would submit a grant application to the Michigan Department of Natural Resource Waterways Grant Program to help defray the cost of this project. Specifically, the Program will be asked to fund 50% of the project which is \$99,415, and the City, utilizing Marina Reserve Funds, will match the remaining 50% of the project which would be \$99,415.

The Parks and Recreation Director reviewed that the goals of the Waterways Grant Program are to provide infrastructure improvements to State Grant-in-Aid Facilities which in this case will be electrical upgrades to Piers A, C and D to help safeguard the boating public; that proposed work is to be completed in 2017; and that the Parks and Recreation Commission conducted a public hearing to receive comments on the project and none were received; and that the Commission approved a resolution endorsing the project.

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

WHEREAS, the City of Petoskey City Council hereby recognizes the need to keep the Petoskey Municipal Marina and its infrastructure a safe, functional facility and supports the need to upgrade electrical systems on Piers A, C and D; and

WHEREAS, the needed electrical upgrades are identified in the City of Petoskey's 2013-2017 Parks and Recreation Master Plan, as amended; and

WHEREAS, the Michigan Department of Natural Resources is accepting Waterways Grant Program applications for marina infrastructure improvement projects that include electrical upgrades and improvements; and

WHEREAS, the City of Petoskey Parks and Recreation Commission has reviewed the proposed \$99,415 Waterways Grant Program application request for electrical upgrades on Piers A, C and D at the Petoskey Marina, and conducted a public hearing on the proposed \$198,830 project; and

WHEREAS, the City of Petoskey Parks and Recreation Commission supports the proposed grant application and requests that City Council consider authorizing the submission of the Waterways Grant application to the Michigan Department of Natural Resources for \$99,415, agree to provide a 50% of the grant match of \$99,415, and designate the City Manager or his designee as project representatives:

NOW, THEREFORE, BE IT RESOLVED, that the City of Petoskey City Council does and hereby confirms its intent to submit to the Michigan Department of Natural Resources, a Waterways Grant Program application in the amount of \$99,415 to upgrade electrical components of Piers A, C and D at the Petoskey Municipal Marina and further commits to provide a 50% grant match (\$99,415) toward the project; and

BE IT FURTHER RESOLVED, that the City of Petoskey City Council does hereby confirms its intent to authorize the City Manager, or his designee, to serve as the City of Petoskey's representative for the Waterways Grant Program for the marina electrical upgrade project.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Resolution No. 19049
Authorize Tree Planting Contract

The City Manager reviewed the proposed tree planting agreement including planting of trees and shrubs within street right-of-ways and public spaces as new or replacement trees. This tree planting initiative is part of the City's overall Forestry Program that includes trimming, maintenance and tree and stump removal of City owned trees. The City Manager further reviewed that trees are warrantied for 18 months and that trees will be planted on Emmet Street and along Greenway Corridor. The tree planting program for 2017 was advertised on February 3; 10 firms were sent invitations to bid; and two complete bid proposals were received with Louis A. Hoffman Nursery, Inc., Harbor Springs, being the low bidder at \$40,879.

City Councilmember Marshall moved that, seconded by City Councilmember Lyman to authorize to contract with Louis A. Hoffman Nursery, Inc., Harbor Springs, in the amount of \$40,879 for planting of trees at various locations throughout the City.

Said motion was adopted by the following vote:

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

NAYS: None (0)

Hear Council Comments

Mayor Murphy asked for Council comments and there were no comments.

There being no further business to come before the City Council, this March 6, 2017, meeting of the City Council adjourned at 8:30 P.M.

John Murphy, Mayor

Alan Terry, City Clerk-Treasurer