

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Regular Council Meeting
Thursday, August 6, 2015**

The meeting was called to order by the Honorable Mayor Marc D. Tall at 7:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Patricia A. Baribeau, Ronald J. Beauchamp, Ralph B. Blasier, and Michael R. Sattem.

Absent: None

Also Present: City Manager James V. O'Toole, City Department Heads, media, and members of the public.

Pastor Chris Johnson of Christ the King Lutheran Church, gave the invocation and led Council in the Pledge of Allegiance.

Sattem moved, Blasier seconded, **CARRIED UNANIMOUSLY**, to approve Regular Meeting Minutes from July 16, 2015, as submitted.

ADJUSTMENTS TO THE AGENDA

Blasier moved, Beauchamp seconded, **CARRIED UNANIMOUSLY**, to approve the City Council Agenda as submitted.

CONFLICT OF INTEREST DECLARATION – None

BRIEF PUBLIC COMMENT

City resident Roberta Stacey expressed concerns on the PK Housing Project as proposed. Mrs. Stacey suggested that the area needed a mix of co-inhabitants, and suggested a mixed income rather than a concentration of affordable housing. Mrs. Stacey suggested project developers did not live in the community and area funds would be leaving the community.

City resident Dawn Duncan, questioned the projects income level guidelines. She stated many area seniors only lived on social security.

Downtown Development Director Ed Legault, stated his office, and the Michigan Economic Development Corporation (MEDC), had been working on the House of Ludington Project with the owners Ed and Suzell Eisenberger. They had been looking for different grants to fund repairs for restoring City historical buildings. He advised, it was difficult to find grants with private ownership which required a 50 percent match. Mr. Legault stated his office were doing everything they could to come up with a solution. Mr. Legault concluded that Council needed to support these type of projects.

City resident Charles Olsen spoke in support of the Downtown Development Authority, and Historic District Commission, but suggested the proposed development for the House of Ludington project may not be the best use for the building. He suggested the House of Ludington would be off limits once sold as senior housing, and suggested the project had proceeded to fast without public input. Mr. Olsen wanted to reuse the building as its current use, and suggested this proposed project may not be the best fit for the property.

Monique Ciofu spoke on the House of Ludington Project and suggested the building stay with its current use, and give the project time for the public to be able to speak and take part in the discussion.

PUBLIC HEARINGS – None

NEW BUSINESS

Approval – Heavy Equipment - Backhoe w/Attachments – Department of Public Works.

Administration sought Council approval to purchase a John Deere 410L backhoe with attachments in the amount of \$114,651.00 from Nortrax, Inc. of Escanaba, MI. This purchase was included in the current fiscal year budget.

Public Works Director Bill Farrell provided a brief synopsis of the purchase.

NB-1 Blasier moved, Sattem seconded, to approve to purchase a John Deere 410L backhoe with attachments in the amount of \$114,651.00 from Nortrax, Inc. of Escanaba, MI.

Upon a call of the roll, the vote was as follows:

Ayes: Blasier, Sattem, Beauchamp, Baribeau, Tall
Nays: None

MOTION CARRIED.

Approval – Vactor Sewer Truck Rehabilitation/Restoration and Rebuild – Waste Water Department.

Administration sought Council approval to retain Doheny Companies of Northville, MI to rehabilitate and restore the City of Escanaba's 2007 Vactor sewer truck in an amount not to exceed \$140,000. This item was included in the current fiscal year budget.

Water/Wastewater Superintendent Jeff Lampi provided information regarding the truck restoration project. Administration stated restoration of the unit was desired over

any newer vehicle because of the vehicle engine. The 2007 engine in the equipment was before the current emission standards. Newer vehicles, with similar engines and with the current emission standards, do not last as long.

Council Member Beauchamp suggested holding off on the paint job and use extra funds to do further restoration of the unit instead. Administration advised, the extra funds budgeted were for rental of a unit if the truck was needed during the truck restoration. Administration further advised the City had a mutual aide agreement with the City of Gladstone and would rent their similar vehicle if the need aroused.

After further discussion regarding restoration, and rental of a similar truck from the City of Gladstone, the following motions were made:

NB-2a Blasier moved, Beauchamp seconded, to approve to retain Doheny Companies of Northville, MI to rehabilitate and restore the City of Escanaba's 2007 Vactor sewer truck in an amount not to exceed \$115,000.

Upon a call of the roll, the vote was as follows:

Ayes: Blasier, Beauchamp, Sattem, Baribeau, Tall
Nays: None

MOTION CARRIED.

NB-2b Beauchamp moved, Blasier seconded, to authorize an amount not to exceed \$25,000 for rental of a Vactor sewer truck if needed during the restoration of the Water/Wasterwater Department Vactor sewer truck.

Upon a call of the roll, the vote was as follows:

Ayes: Beauchamp, Blasier, Baribeau, Sattem, Tall
Nays: None

MOTION CARRIED.

Approval – City of Escanaba Street System Resolution – Act 51 Street System Map - Department of Public Works.

Administration sought Council approval of a resolution to amend the City of Escanaba Street System Map for the purpose of obtaining funds under Act 51, P.A. 1951 as amended. Administration recommended 26th Avenue South from South 23rd Street to South Lincoln Road (M35) be added to the Act 51 street system as it was missing and did not have a previously submitted resolution from Council. The total length of street added was 110.88 feet.

NB-3 "Upon motion made by Council Member Blasier, seconded by Council Member Sattem, the following resolution was adopted:

**RESOLUTION
FOR
STREET CERTIFICATION**

Whereas the City of Escanaba did on June of 1994 acquire title to 26th Avenue South from South 23rd Street to South Lincoln Road; and

Whereas it is necessary to furnish certain Information to the State of Michigan to place this street within the City of Escanaba Street System for the purpose of obtaining funds under Act 51, P.A. 1951 as amended.

NOW THEREFORE IT IS RESOLVED:

1. That the centerline of said 26th Avenue South is described as:
PART OF NW1/4 OF SW ¼ OF
SECTION 6 T.38N.,R.23W.
&
PART OF NE1/4 OF SE1/4 OF
SECTION 1 T.38N.,R.24W.
CITY OF ESCANABA
DELTA COUNTY, MICHIGAN

FROM THE SW CORNER OF BLOCK 5 OF LAKE SHORE DRIVE ADDITION NO.1 TO CITY OF ESCANABA AS RECORDED AT LIBER "B" OF PLATS ON PAGE 38 OF DELTA COUNTY RECORDS, THENCE MEASURE S.00°09'17"E. PERPENDICULAR TO THE SOUTH LINE OF SAID BLOCK 5 A DISTANCE OF 22.77 FEET, THENCE MEASURE S.89°50'43"W. PARALLEL WITH SAID SOUTH LINE A DISTANCE OF 44.69 FEET TO THE CENTERLINE INTERSECTION OF 26TH AVENUE SOUTH AND 23RD STREET AND THE POINT OF BEGINNING OF THE CENTERLINE HEREIN DESCRIBED, THENCE N.69°05'29"W. A DISTANCE OF 89.43 FEET TO THE SOUTHEASTERLY CURB LINE OF STATE HIGHWAY M-35 AND THE POINT OF ENDING OF SAID CENTERLINE.

2. That said street is located within a City of Escanaba right-of-way and is under control of the City of Escanaba.
3. That said street is a public street and is for public street purposes.
4. That said street is accepted into the City of Escanaba Local Street System and was open to the Public on June 1994.

Upon a call of the roll, the vote was as follows:

Ayes: Blasier, Sattem, Beauchamp, Baribeau, Tall
Nays: None

RESOLUTION DECLARED ADOPTED."

Approval – Professional Services – Water Department Capital Improvement Plan – Water Department.

Administration sought Council approval to retain C2AE of Escanaba, Michigan to complete a state mandated Water System Capital Improvement Plan (CIP) as part of the existing General Plan. The CIP would inventory items within the Water Plant and the entire water distribution system. A disinfection by-product evaluation would also be concluded at the same time, in an amount not to exceed \$10,000. This item was included in the current fiscal year budget.

Water/Wastewater Superintendent Lampi reviewed the Water System Capital Improvement Plan required by the State.

NB-4 Beauchamp moved, Baribeau seconded, to approve to retain C2AE of Escanaba, Michigan to complete a state mandated Water System Capital Improvement Plan as part of the existing General Plan and further to approve a disinfection by-product evaluation at the same time, in an amount not to exceed \$10,000.

Upon a call of the roll, the vote was as follows:

Ayes: Beauchamp, Baribeau, Blasier, Sattem, Tall

Nays: None

MOTION CARRIED.

Approval – Use of Public Space/Street Closure - 323 1st Avenue North – Mary St. Pierre Scholarship Fund Raiser.

Rhonda Danforth requested authorization to close off North 9th Street from 1st Avenue North to the alley on August 29, 2015 from 3:00 p.m. to 11:30 p.m. so they can use the space for their “Mary St. Pierre Scholarship Fund Raiser” event. Administration recommended approval of the request provided: 1) The City of Escanaba was named as an additional insured on their insurance policy, 2) All rules and regulations of the Michigan Liquor Control Commission and the Department of Public Safety are followed; and 3) Event sponsors provide all labor and material to clean-up at the conclusion of the event.

NB-5 Sattem moved, Baribeau seconded, **CARRIED UNANIMOUSLY**, to approve a request from Rhonda Danforth to close off North 9th Street from 1st Avenue North to the alley on August 29, 2015 from 3:00 p.m. to 11:30 p.m. so they can use the space for their “Mary St. Pierre Scholarship Fund Raiser” event, provided: 1) The City of Escanaba was named as an additional insured on their insurance policy, 2) All rules and regulations of the Michigan Liquor Control Commission and the Department of Public Safety are followed; and 3) Event sponsors provide all labor and material to clean-up at the conclusion of the event.

Update – Sale of the Power Plant – City Manager’s Office.

Administration updated the Council and public on the latest developments related to the Escanaba generating facility. Manager O’Toole stated he was talking to Sterling Energy and they advised they were in the middle of a Corporate restructuring, and the Escanaba project was put on hold.

Approval – Resolution of Support – Excel Realty Group – Senior Housing Development Project – 223 Ludington Street.

Excel Realty Group sought Council approval of a resolution which supported the installation of 34 one and two bedroom senior housing apartments in the building located at 223 Ludington Street, commonly referred to as the “House of Ludington”. A resolution was needed as part of their application for funding to the various state agencies.

Manager O’Toole provided the following information:

The City of Escanaba was approached by a developer with a concept of redeveloping 223 Ludington Street into 34 one and two bedroom senior housing apartments.

Under the concept of the proposed development, the developer (Excel Realty Group, Beachwood, OH) proposed to construct 34 senior 1 and 2 bedroom units at 223 Ludington Street. The project would be a historic adaptive reuse project which was intended to reuse the four-story building, which contains approximately 38,000 square feet of building space. The project, if approved for funding, would be redeveloped in conformance with the Michigan State Historic Preservation guidelines and the U.S. National Park Service guidelines for historic places.

The Excel Realty Group stated the construction costs for the development were estimated to be \$5 million. The development would be financed with 9% tax credit equity and the federal historic credit, along with a permanent loan using the USDA 538 program. The development would also qualify for a 130% basis boost.

The Excel Realty Group was requesting the following from the City of Escanaba:

1. If their funding is approved, they will require a "Payment in Lieu of Taxes" Agreement along with a "City Services Agreement". Details would need to be worked out with the developer if their application is approved and will require City Council approval at a future date.
2. The project would require full public site plan review and approval from the Planning Commission.
3. A parking space zoning variance from the Zoning Board of Appeals will be required.

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A tentative proposed schedule of events and steps that needed to take place was as follows:

August 4, 2015 A review of the concept was conducted by the Escanaba Historic Commission on August 4, 2015. A resolution of support was approved by the Commission.

August 5, 2015 A review of the concept was conducted by the Downtown Development Authority on August 5, 2015. A resolution of support was approved by the DDA Board of Directors.

August 6, 2015 A review of the concept along with a request for a City Council resolution which endorses the project will go before the City Council at a regularly scheduled meeting.

August 12 - 21, 2015 An appearance before the City Zoning Board of Appeals will be scheduled for a parking space requirement variance to the Escanaba Zoning Ordinance.

September 10, 2015 A site plan hearing before the Planning Commission will be conducted.

September 17, 2015 A public hearing on a "Payment in Lieu of Taxes" agreement and "Municipal Services Agreement" will be conducted before the City Council.

October 1, 2015 The developer will submit grant application package to state, and others for review and approval.

December 31, 2015 The developer should hear if they received funding or not.

Spring/Summer 2016 If funding is approved by State construction could begin.

Spring/ Summer 2017 Possible completion of project.

In order to submit their application to the State of Michigan for consideration, the State established a deadline of October 1, 2015 for all submittals.

Peter Jobson made a detailed presentation of the House of Ludington Project to the Council and citizens of Escanaba and how to generate funds to rehab the building. The proposed Project would stabilize and update the structure for a new life for the building. The Senior Housing proposal would be a great place for area seniors to live and provide an new outcome for the building.

Council Members requested information on their other projects Excel had completed throughout the state and the proposed parking variance that would be required.

Property owners, Suzell and Ed Eisenburger, thanked the community for all their support. They advised they were selling the building because they did not have the needed \$1,000,000 to make repairs to the building despite their best efforts to keep the business going. It was time for this type of project for the building and was a perfect fit for the building that needed to be saved.

Council Members also commented on the speed of the project, and reviewed the project pros and cons. Council noted there would be time for further discussion by the public. The Developers needed to request a parking variance from the Board of Appeals, receive approval from the City Planning Commission, and finally come back before Council to request a payment in lieu of taxes (PILOT) agreement.

NB-7 "Upon motion made by Council Member Baribeau, seconded by Council Member Sattem, the following resolution was made:

**A RESOLUTION BY THE ESCANABA CITY COUNCIL
SUPPORTING THE EXCEL REALTY GROUP PROJECT PLAN FOR 223
LUDINGTON STREET, COMMONLY KNOWN AS THE HOUSE OF LUDINGTON**

Whereas, Escanaba City Council supports the proposed House of Ludington development at 223 Ludington Street to construct 34 one and two bedroom senior dwellings units. This development is consistent with the City's strategy for restoring historic buildings in the downtown area, specifically on Ludington Street. This development addresses the need to build density and promote downtown living. This will further the City's goal of a vibrant downtown community for residents to live, work and play. This development meets these goals by putting key historic structures back into productive use and providing senior housing amenities for downtown residents. This development, if approved for funding under the tax equity credit program, federal historic tax credit program and USDA 538 program will be a significant investment in the downtown area; and

Whereas, The Escanaba City Council recognizes the value of historic preservation as an effective tool for economic revitalization; and

Whereas, through the 2011 Escanaba Downtown Development Authority's Developmental plan has prioritized additional mix used residential redevelopment to our Downtown Buildings; and

Whereas, the Escanaba Downtown Development Authority's 2020 Vision document stresses that the downtown be reinvented and revitalized by creating a mix of activity nodes focused retail, residential and entertainment uses; and

Whereas, the Escanaba Downtown Development Authority's 2015 goals list adding more mixed use developmental opportunities as part of its support of restoration of buildings downtown through its Façade program; and

Whereas, a payment in lieu of taxes agreement between the City of Escanaba & Excel Realty Group will be needed to make the project work; and

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Whereas, Excel Realty Group may need certain variances approved based on parking or other ordinances for the downtown project; and

Whereas, Excel Realty Group site plan for the project will need approval from the Escanaba Planning Commission; and

Now, therefore be it resolved, that the Escanaba City Council hereby supports the Project Plan to be developed by the Excel Realty Group to install 34 one and two bedroom senior apartments in the existing building located at 223 Ludington Street.

Ayes: Baribeau, Sattem, Blasier, Beauchamp, Tall
Nays: None

RESOLUTION DECLARED ADOPTED.

APPOINTMENT(S) TO CITY BOARDS, COMMISSIONS, AND COMMITTEES

Mayor Tall, with Council consensus, made the following appointments:

Escanaba Building Authority:

Manager Jim O'Toole – term ending August 2018;
Controller Melissa Becotte – term ending August 2016.

Harbor Advisory Committee:

Todd Hurley - One year extended term.

BOARD, COMMISSION, AND COMMITTEE REPORTS

Council Members reviewed City Board and Commission meetings each attended since the last City Council Meeting.

GENERAL PUBLIC COMMENT

DDA Director Ed Legault reviewed his efforts over the last 6 months with the owners of the House of Ludington trying to secure funding avenues for the House of Ludington.

City Community Preservation Director Blaine DeGrave was grateful for the federal funding possibility to redevelop the House of Ludington.

ANNOUNCEMENTS

- Marina Fest was scheduled for August 8th;

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- Reviewed fund raising for the area animal shelter;
- Congratulated the Delta County Girls 13-14 year old baseball team, and the 15/16 year old girls who were at the world series.

Hearing no further public comment, the Council adjourned at 8:29 p.m.

Respectfully submitted

Robert S. Richards, CMC
City Clerk

Approved: _____
Marc D. Tall, Mayor