

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Special Council Meeting
Thursday, September 24, 2015**

Pursuant to a meeting notice posted on September 18, 2015, the meeting was called to order by the Honorable Mayor Marc D. Tall at 6:00 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.

APPROVAL OF AGENDA

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

CONFLICT OF INTEREST DECLARATION – None

BRIEF PUBLIC COMMENT – None

PUBLIC HEARINGS

Second Reading – Payment in Lieu of Taxes Ordinance No. 1164 – Excel Realty Group Deal 24, LDHA LP.

Mr. Peter Jobson, President of Excel Realty Group, Deal 24, LDHA LP requested the City Council authorize a payment in lieu of taxes Ordinance No. 1164 which would allow them to seek funding from the State of Michigan Tax Credit Program for the renovation and upgrading of property located at 223 Ludington Street and 216 1st Avenue South.

City Manager stated the PILT was designed to provide an incentive for a developer to invest in a community by assisting in making the project financially feasible. Under the terms and conditions of the proposed project at 223 Ludington Street, approval of a PILT was needed in order for the Developer to apply for and receive any funding consideration being applied for through the State or through the Low Income Housing Tax Credit program. It was Manager O'Toole's understanding that without a PILT in place, the application for funding would not be looked upon favorably by the various funding authorities.

Under the concept of the proposed PILT Ordinance and proposed Municipal Services Agreement, the Developer, instead of paying a millage rate based on the

property's assessed value, would pay the City and the other taxing entities 4% of the annual shelter rents actually collected. For the City, this is estimated to be \$2,316.97. This coupled with a Municipal Services fee of \$1,708.16 would require the developer to pay a total of \$4,025.13 to the City of Escanaba for municipal services. This was equal to what the City portion would be under the original tax bill without a Payment In Lieu of Taxes Agreement. In simple terms, the City would be made financially whole under the terms of the proposed PILT and Municipal Services Agreement. However, other taxing entities would collectively lose approximately \$3,600 annually in revenue. Additionally, under the terms of the proposed Municipal Services Agreement, the Developer would pay the City of Escanaba an annual increase of 3% as part of the Municipal Services Agreement for the life of the PILT as long as there is a federally-aided or MSHDA aided mortgage with an outstanding balance, but no more than 35 years.

Inasmuch as this was a public hearing, Mayor Tall asked for comments from the Council and audience relative to the setting of the Payment in Lieu of Taxes Ordinance No. 1164, first from any taxing entities, City residents, and then from Non-City residents.

No comments were heard from other taxing Authorities.

Kevin Chown, who advised spent most of the time in California, and kept his voting registration current in the City of Escanaba, felt the House of Ludington was a historic monument and should be preserved. Mr. Chown understood the reality of the proposed development, but he and others wished it could be developed historically to attract business into the community, not just what was being proposed. If approved, the proposed development would change other future development in the downtown.

Marquette Lawyer Steve Pence, who was presenting the Eisenbergs, advised the property has been for sale quietly for years, but a buyer could not be found. They believed the proposed development from Excel Realty Group Deal 24, LDHA LP, fits the City Master Plan would preserve the building, and bring individuals to the community. In the end, the proposed project was good for the community and neighborhood.

City resident, Lisa Anderson, 218 Lake Shore Drive, stated there was always a fear of change, but the proposed project would be good for the community. The property was in need of rehabilitation, and you do not get buyers like this every day. The project was a great opportunity for the City of Escanaba.

Hearing no further comment, Mayor Tall closed the Public Hearing.

PH-1 "By Council Member Beauchamp, seconded, by Council Member Blasier;

Resolved, That Ordinance No. 1164, an Ordinance to Amend Chapter 26 – Taxation of the Code of Ordinance of the City of Escanaba, given its second reading and public hearing at this meeting, be and it is hereby adopted, and that it be published in accordance with the requirements of State law and the City Charter."

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

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

RESOLUTION DECLARED ADOPTED.

Herewith Ordinance No. 1164, adopted by title:

AN ORDINANCE TO AMEND CHAPTER 26 – TAXATION OF THE CODE OF ORDINANCES OF THE CITY OF ESCANABA.

Full text in Ordinance Record “K.”

NEW BUSINESS

Approval – “Cured in Place” Sanitary Pipe Relining Project(s).

Administration sought Council approval of a contract with Visu-Sewer, Inc. of Pewaukee, WI to furnish and install all labor and material to reline a portion of sanitary pipe from the 23rd Avenue South Lift Station to Lakeshore Drive and a portion of sanitary pipe on South 19th Street, 200 feet +/- north of 8th Avenue South to 10th Avenue South in an amount not to exceed \$104,025. These projects were budgeted items in the current fiscal year budget.

Water/WasteWater Superintendent Jeff Lampi briefly reviewed the proposal. The proposed Asset Management program would determine the age of the pipe, and stated repairs could last 50 years.

NB-1 Blasier moved, Sattem seconded, to approve of a contract with Visu-Sewer, Inc. of Pewaukee, WI to furnish and install all labor and material to reline a portion of sanitary pipe from the 23rd Avenue South Lift Station to Lakeshore Drive and a portion of sanitary pipe on South 19th Street, 200 feet +/- north of 8th Avenue South to 10th Avenue South in an amount not to exceed \$104,025.

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

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

MOTION CARRIED.

Approval – Centrex Contract Renewal – Telephone Services.

Administration sought Council approval of a one year contract with AT&T Centrex Service, Michigan, in an amount not to exceed \$11,000 for continued telephone services.

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City Controller Melissa Becotte briefly reviewed the contract.

NB-2 Sattem moved, Baribeau seconded, to approve of a one year contract with AT&T Centrex Service, Michigan, in an amount not to exceed \$11,000 for continued telephone services.

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

Ayes: Sattem, Baribeau, Beauchamp, Blaiser, Tall

Nays: None

MOTION CARRIED.

GENERAL PUBLIC COMMENT – None

ANNOUNCEMENTS – None

Hearing no further public comment, the Council adjourned at 6:26 p.m.

Respectfully submitted

Robert S. Richards, CMC
City Clerk

Approved: _____
Marc D. Tall, Mayor