

SPECIAL CITY COUNCIL MEETING
October 30, 2007

The Special City Council Meeting was called to order by Mayor Muschell in the Council Chambers in the City Hall at 7:00 p.m. The proceedings were as follows:

Present: Council Members Boardman, Charboneau, Lepp, Tebo, Sangster, Muschell, and Riddle

Mayor Muschell indicated that the Special City Council meeting is for the purpose of a public hearing to consider the Community Development Block Grant application for the Vibrant Small Cities Initiative.

City Manager McNeil explained that the City of Cheboygan has been given preliminary approval for a grant of \$667,000 under the Vibrant Cities Initiative through the Michigan State Housing Development Authority as a result of the submission of a notice of interest and then a presentation before a MSHDA review board. He noted that the presentation promoted three projects which include the construction of the pedestrian footbridge, re-use of the former F. W. Woolworth building site, and restoration of the Carnegie Library. City Manager McNeil introduced Ms. Jan Kellogg of the Northern Lakes Economic Alliance, indicating that she was the major architect of the presentation and grant application and is present to review the application process. He also introduced Mr. Duane Thelen, who is the City's contact person for the Michigan State Housing Development Authority.

Ms. Jan Kellogg explained that the grant is federal funding from Housing and Urban Development and involves a lengthy process. She stated that currently we are going through the application process and that the application will be prepared and submitted by the middle to end of December. Ms. Kellogg commented that this public hearing is to obtain comments on the projects and the priorities that have been set for the use of these funds.

Mr. Duane Thelen stated that he is with the Community Assistance team through the Michigan State Housing Development Authority. He briefly provided background information on his role with regard to preparing the paperwork for the review.

City Manager McNeil reiterated that three projects under consideration for funding include the pedestrian footbridge, re-use of the former F. W. Woolworth site and restoration of the Carnegie Library, in a manner of that priority. He noted that the budget amount with regard to the footbridge including the engineer's cost of \$1.4 million is fairly firm, but the cost estimates relative to possible acquisition and demolition of the former F. W. Woolworth building are uncertain at this particular time as a purchase price must be negotiated with the owner based on appraisals, and estimates relative to demolition have not yet been determined. City Manager McNeil commented that the preliminary budget relative to the F. W. Woolworth building is \$250,000. He explained that based on the programs as they are aligned through MSHDA and the allocation of those estimated costs, the grant funds that have been allocated at this point are virtually exhausted. City Manager McNeil stated that the possible restoration of the Carnegie Library will continue to be described and placed in the application in case something falls through with the other two projects or other grant funding becomes available.

Public Comment portion of the meeting opened by Mayor Muschell.

Ms. Joann Leal, Executive Director of the Cheboygan Area Arts Council introduced herself, and referred to the proposed Cultural Arts and Education Center. She provided background information regarding cultural and economic development, and explained the concept of locating the Cultural Arts and Education Center at the former F. W. Woolworth site. Ms. Leal stated that a Committee has recently been formed to work toward developing a feasibility study and financial planning for such a building. She outlined the proposed uses for the building which include gallery space, gift shops featuring work of area artists and assorted gift items, studio space, rehearsal and performance space, kitchen and reception area, dance studio, as well as other life-long learning experiences with classes offered by various northern Michigan community colleges. Ms. Leal urged the continuation of dialogue regarding the Cultural Arts and Education Center to enhance the economic development of the downtown area.

Ms. Kim Pappas, Executive Director of the Cheboygan Area Chamber of Commerce introduced herself, commenting that she has been intricately involved with this process and feels this is a step that Cheboygan needs to take in the advancement of the community, particularly with regard to the pedestrian footbridge. She noted that the footbridge is one of the cameo projects that arose from the Downtown Blueprint, and creates an economic link between the downtown area and the Major City Park, makes the community more walkable, and allows better quality of life for all ages.

Mr. Don Horrocks introduced himself, commenting that he is a member of the Recreation Commission. He expressed appreciation to everyone who has worked on this project, commenting that the Recreation Commission strongly supports it.

Mr. Jim Conboy introduced himself, explaining his role on the Cheboygan County Economic Development Corporation and the Northern Lakes Economic Alliance. He echoed the comments of Mr. Horrocks, stating that he appreciates all the work that has been put into this project. Mr. Conboy stated that he agrees with prioritizing the footbridge and the F. W. Woolworth building, commenting that he feels the projects are a good reflection on all that has gone before Council and the DDA, including the Hyett-Palma study. He explained that the Carnegie Library is presently owned by Citizens National Bank as a result of foreclosure and that every effort will be made to ensure that the building is preserved for public purposes either for the Bank itself or a subsequent public or private owner.

Mr. Bill Horntvedt introduced himself, stating that he is a City resident and has worked on the Cheboygan River for approximately five years. He commented that he registered some concerns three years ago regarding the footbridge and was met with a dissent from some of the audience members and felt somewhat discouraged in coming back. Mr. Horntvedt noted that over the last several years he has spoken to hundreds of people throughout town, and that the common thread in their attitude toward the footbridge is opposition. He stated that there is a strong group of support here which he feels was partially orchestrated by a well organized group that made sure they had supporters here and he feels somewhat alone in speaking out against the footbridge, but that is his purpose. Mr. Horntvedt commented that he is in favor of seeing downtown Cheboygan prosper and related his family history as part of four generations of Cheboygan residents. He stated that the Carnegie Library and former F. W. Woolworth building are good projects to pursue but feels that the footbridge, for a variety of reasons, is not the highest and best use of the grant funds. Mr. Horntvedt referred to grant administration information regarding the footbridge. Additionally, he noted two non-scientific polls conducted by the Cheboygan Daily Tribune that reflect public opposition to the project which should register strong concerns when considering how the grant money is distributed.

He referred to the Hyett-Palma study, commenting that two consultants capitalized on a \$40,000 grant program and developed the Downtown Blueprint. Mr. Horntvedt quoted information from a Letter to the Editor article in the Cheboygan Daily Tribune regarding construction of a footbridge in relation to grant funding for a proposed small boat marina. Additionally, Mr. Horntvedt commented on the cost of the footbridge and the need for information on the return of investment through a survey on actual usage and the development of an economic theory of compiled data. Mr. Horntvedt referred to a claim that grant funding for the proposed small boat marina is dependent upon the footbridge. He requested that City Manager McNeil state on record that it is in fact the truth and that this footbridge is required for grant money for the Major City Park Marina on the east side of the River. City Manager McNeil replied that the footbridge is not a requirement but would certainly assist toward any type of new construction whether recreational or marina activity on that side of the River. Mr. Horntvedt stated he would contradict City Manager McNeil on both points. Councilman Sangster commented that he believes the issue pertained to DDA funding and the link to the DDA. Councilwoman Riddle referred to the proposed marina and noted that she is very much in favor of the footbridge because it would link the two sides of the River for easy access directly to the downtown area. Mr. Horntvedt stated that he understands the information perpetuated throughout the community that the DDA is funding the footbridge and commented that what he wants to discuss specifically is the impact of a footbridge to grants. He referred to an email from Mr. Paul Peterson, Director of the Michigan State DNR Waterways Commission Harbor Program that explicitly states the footbridge is not a requirement. Mayor Muschell commented that Mr. Peterson is an administrator whom he works with on a daily basis and is not on the Waterways Commission. He stated that he and City Manager McNeil made that presentation to the Waterways Commission a little over two years ago and the Commission was very supportive because they anticipate building a small boat harbor in the same area of the park. Mr. Horntvedt then commented on the Safe Harbor Program in Michigan, and that the footbridge as he was advised by the State, would inhibit State funding for such a marina because the clearance under the footbridge does not accommodate sail boats. Mayor Muschell explained that the information presented to the Harbor Commission pertained to a proposed marina facility for small boats that could take advantage of the inland waterways. Mr. Horntvedt commented that he is not trying to argue and is just trying to present information. Mayor Muschell commented that he is merely trying to convey information he personally presented to the Waterways Commission and what the Commission agreed to. Mr. Horntvedt stated that he spoke to State officials that provided a different angle. Mayor Muschell requested information on the officials. Mr. Horntvedt noted that the information is not readily available but could ultimately be provided. An audience member requested that Mr. Horntvedt be allowed to finish speaking. Mayor Muschell commented that he merely wanted to cover the points as they arose so they were not forgotten. Mr. Horntvedt commented that this is the reason people are reluctant to come before Council. He stated that he feels a little hostility which he somewhat anticipated would happen, and that he had to gather a lot of will to come here and speak. Mr. Horntvedt commented that he has information that he would like to provide to Council under separate cover if possible but does not want to address this issue any further in Council chambers. He thanked Council for their time and for listening.

Mrs. Trudy Lofgren introduced herself, commenting that she is a substantial tax payer in the City of Cheboygan. She noted that she is against the footbridge, adding that she has questioned various DDA Board Members for a better understanding of how the footbridge would support and improve the downtown district but received responses only referring to the Hyett-Palma study. Mrs. Lofgren noted that there should be more information than just the study on why the footbridge should be the top priority. She commented that she is in favor of the information provided by Ms. Leal on the

Cultural Arts and Education Center and can understand a portion of the grant funding being allocated toward that project. Mrs. Lofgren noted that she is not so much against the footbridge concept as she is for the cost and fanciness of the structure. She stated that she is also concerned with the upkeep.

Mr. Ken Pletcher introduced himself, commenting that he is one of the property owners not far from the footbridge location. He stated that although Mr. Horntvedt is no longer present, he wanted to congratulate him for speaking on behalf of the people that are not here. Mr. Pletcher stated that he feels that Council did allow Mr. Horntvedt an opportunity to speak and he had a lot of information which we may not all want to hear but at the same aspect it is important to hear that information. Mr. Pletcher noted that he is very much in favor of the footbridge and has talked to Mr. Horntvedt about this at length. He explained that the reason the footbridge cost is so high now is because five times over the years there has been a group actively opposed to the project and from that standpoint, had the project progressed fifteen years ago, the cost would have been high then as well. Mr. Pletcher commented that the other issue that came up with Mr. Horntvedt is that he wants to the project to undergo a cost study that demonstrates a return on investment but it does not work like that. He commented that also discussed was the Carnegie Library which is a very good project and he has nothing against it but the City will not get a return on investment for people coming into this community and going in there. Maintaining the building is the right thing to do but if a projection on the cost of restoration and expected cash flow as a result is desired, it will not happen. He referred to the Ottawa Hotel project and anticipated development of that property, which ultimately resulted in the Arts Park, and the repair of docks, noting that a return on investment is not feasible in those cases either. Mr. Pletcher stated that what must be considered is how a particular project would serve the community. He commented that he understands why people are against the footbridge because of the cost, adding that he is confident with the potential to have a marina there it is almost inconceivable to not have a footbridge. Mr. Pletcher expressed disappointment on the size of the footbridge and all the extra costs but the reality is the handicap accessible issues as well as certain height issues must be addressed. He noted that he and his partners that own property close to the proposed footbridge are looking forward to increasing their property value as a result. Mr. Pletcher added that he does appreciate the comments of Mr. Horntvedt and if we do not take that information into consideration and review some of the things he is talking about, we will have the public upset with us that we did not do due diligence. Other than that, he feels we should move forward. Mayor Muschell stated that one comment on the cost pertains to ADA requirements that did not exist at the time this was first initiated which makes a considerable difference in the cost to make the footbridge barrier free.

Mr. Craig Beachnau introduced himself, commenting that he owns two commercial properties downtown and will soon reside in one of the apartments above those commercial properties. He explained that he is new to Cheboygan only being here three to four years now, and when he initially came to town one of the first things he read was the HyettPalma Study. He noted that he was very much against the footbridge but today he is very much in favor of the project. Mr. Beachnau noted that a couple observations he would like to make is that he has been coming for the past year or more to the DDA meetings and is very surprised at the number of people that have attended to speak against the footbridge that have not been coming to the meetings during the planning process to voice their opinion. Mr. Beachnau stated that as an outsider, the comment he would like to make about the footbridge is that the footbridge will bring an extraordinary amount of value to the City because it allows the City to then utilize the biggest asset the City has, which is the River. The River, in his opinion, is a very underutilized asset and the footbridge will bring a lot of development possibilities to the other side of the River. For us as a community, to ignore the River any longer will not be very

healthy for the downtown area. Mr. Beachnau reiterated that he is very much in favor of the footbridge and would like to thank the DDA and City Council for all the work they have done.

Mr. Steve Cheli introduced himself, commenting that he is no longer a resident of the City. He expressed credit to the DDA and Council on the amount of time spent working on these projects and the footbridge is at the forefront. He questioned if the elevators in the footbridge could be maintained, also questioning if the cost of that maintenance is within the City budget. He referred to the public restrooms that cannot be kept open due to vandalism and questioned how the elevators will be kept from being vandalized. City Manager McNeil stated that he believes the City can maintain the elevators and with regard to vandalism, the experience of late with the recreation programs including public restrooms is that vandalism has decreased. Mr. Cheli asked if the footbridge will be closed during the winter. City Manager McNeil explained that the plan is to operate the footbridge year round but he does not believe the elevators will be operational during the winter. Mr. Cheli commented on a question posed years ago on the possibility of locating the footbridge closer to Court Street and if the grant process would be affected by a change in location. City Manager McNeil stated not from his perspective. Mr. Cheli stated that his last question is whether the footbridge is the best priority and the best way to make the downtown more viable, and if the money would be better spent in some other way first. He commented that is what some of the dissent in the community is about. Mayor Muschell stated that with regard to the elevators, they do not have to operate at all times and can be shut off and locked up. As long as the elevators are available for someone through a signal system, the rest of the time they do not have to be running.

Mr. Scott Hancock, Parks and Recreation Director introduced himself, commenting that he is very much in favor of the footbridge. He stated that the footbridge ties in directly with the Major City Park which he oversees. Mr. Hancock noted that the footbridge ties in with pedestrians utilizing the health path as well. He commented that there are many good aspects and many things have been said both positive and negative and he does not want to add to that. He thanked the DDA and City Council for their efforts. Mr. Hancock also noted the Little League State tournaments which bring a lot of people into town and it is a big thing for the Little League to have that footbridge.

Mr. Brett Wyatt introduced himself, commenting that he is the President of the Cheboygan Little League Association. He thanked Council for the opportunity to speak. Mr. Wyatt stated that the Little League is strongly in favor of the footbridge. He provided background information on the State Little League tournaments, the number of families that participate, and the revenue generated in Cheboygan as a result of hosting the tournaments, clinics and seminars here. He mentioned the number of people that attend tournaments, stating that the people need places to go and things to do as they are not all playing ball at the same time. Mr. Wyatt commented that if the footbridge had been in place in 2003 during tournaments, he could provide statistics that demonstrate those people stayed here instead of going to Mackinaw City. He also commented on the 2008 and 2009 State Tournaments that will be hosted in Cheboygan and the anticipated 3,000 people that will attend. Mr. Wyatt stated that he does want to stress that the footbridge is a must for the Cheboygan Little League. He thanked Council for the opportunity to speak.

Mr. Jack Zlotow introduced himself, and commented on the on the City receiving the grant funding and all the effort going into the process, adding that he is also in favor of the projects mentioned tonight and echoed much of what has already been said. Mr. Zlotow stated that it is important to recognize that the name of the program is the Vibrant Cities Program and that the footbridge and perhaps some monies left over to address the former Woolworth building would do much to

contribute to the central city. Additionally, it is the City's downtown that is such an important part of what gives a city its unique identity. Mr. Zlotow stated that planners and municipal officials are recognizing more and more the importance of building up and not out and he feels the idea of the investment being placed downtown in the form of the footbridge and potentially on Main Street with the former Woolworth building gives Cheboygan the opportunity to better take advantage of the whole idea of building up and not out and making it a more walkable community. He commented that the footbridge itself gives the City an opportunity that should not be passed up and should be welcomed enthusiastically, and provides an opportunity to put a signature on downtown and to better take advantage of the Riverfront.

Councilman Sangster commented that he believes the footbridge will bring some great opportunities to the downtown area. He noted that there are so many opportunities with the public and the open space available and that the community is on the move with much happening.

Councilman Tebo referred to the ice rink/pavilion project, stating that at the time, there were many residents opposed to the project. He commented that for the ten or twelve years the ice pavilion has been in operation, the local businesses have indicated the benefits of the project. Councilman Tebo stated that in the future, he envisions an opportunity for a small RV park for sports fishermen and other visitors and that the footbridge would provide direct access to the downtown area. He noted that Cheboygan for many years has let other communities take the lead but it is time for Cheboygan to step up and be a leader instead of a follower.

Councilwoman Riddle stated that during the Hyett-Palma survey, the consultants spoke to business owners and people in the community then held meetings to present all the information that was gathered. The consultants referred to plans for the footbridge that has been ongoing for approximately 20 years and recommended either proceeding with the project or abandoning the idea. Councilwoman Riddle commented that she is pleased that the choice was made to proceed with the footbridge project.

Councilman Charboneau stated that he was opposed to the footbridge 28 years ago but is now in favor of the project.

Mr. Horrocks commented on his former position as Cheboygan County Fair Manager, and the need for an RV park within the community. Councilman Tebo stated that is he is not opposed to partnership with private enterprise to provide an RV park. He noted other communities with municipal RV parks, commenting that the concept is worth exploring, particularly with the Major City Park and the footbridge providing an ideal way to have access to the downtown.

Councilwoman Lepp stated that she was not much in favor of the footbridge concept at first but during this past year she has heard so many positive things and the possibilities that have come up. She commented that she feels people need to listen to these possibilities such as what the footbridge means to the Little League Association and to Cheboygan in general. Councilwoman Lepp commented that she is also very excited about the Vibrant Cities grant because it will encourage part of the plans for the former Woolworth building which falls in with the Cultural Arts and Education Center Committee that she chairs. She noted that she is very enthused about the many positive things that are happening in Cheboygan.

Ms. Pappas stated that she has observed many people come and go, particularly using the fishing piers by the River. She commented that she feels that the footbridge will enhance the ability for residents and tourists to enjoy both sides of the River. Additionally, the footbridge would enhance the efforts of visiting crafters to Washington Park by providing access to a future RV park and would also encourage more utilization of Washington Park facilities.

Mr. Ron Wallin, Mackinaw City Village President commented that he does not feel that Mackinaw City and Cheboygan are competing against each other and that the wave of the future is that tourists visiting this area are younger, healthier, and more active and anything that could be done to stimulate that activity is a win-win situation for everyone. He commented on the advantage of promoting local artists and providing art in downtown Cheboygan. He also noted the art provided in metropolitan areas, commenting that is a very important element for Cheboygan.

Mr. Jacob Wollangur introduced himself and commented on the majority of cities in the United States that have a Carnegie Library. He added that restoring the Carnegie Library would be restoring something that every other city has and that building a footbridge across the River would be more unique. He commented that he feels that the footbridge is a great idea and plan for Cheboygan.

Mayor Muschell read a letter from Mr. Scott Beard which was submitted for the public hearing. Mr. Beard expressed support of the pedestrian footbridge across the Cheboygan River, noting that residents and visitors of our park areas would be allowed easy access to the downtown shopping district. Additionally, the footbridge would not only benefit the downtown area but the entire City of Cheboygan.

There being no further comments, the public hearing was closed by Mayor Muschell.

City Manager McNeil referred to the Authorizing Resolution, noting that the Resolution is an important part of proceeding toward completing the formal application.

Councilman Tebo moved to adopt the Vibrant Small Cities Initiative Grant Authorizing Resolution as presented. Seconded by Councilman Charboneau. Motion carried unanimously.

City of Cheboygan, Michigan
Vibrant Small Cities Initiative Grant Authorizing Resolution

Whereas, the City of Cheboygan in conjunction with its Downtown Development Authority intends to utilize \$667,000 in MSHDA CA Team CDBG funds in conjunction with \$667,000 in match dollars for priority projects within a target district defined within the previously submitted Notice of Interest;

Whereas, the City of Cheboygan understands that the community must work with MSHDA to prepare specific project proposals that must be submitted in the format of a Request for Grant Funding (RFG) for eligible CDBG activities not later than March 15, 2008 or that the grant set-aside amount will be reduced accordingly by close of business on March 16, 2008;

Whereas, the City of Cheboygan understands that the \$667,000 in matching funds must be placed in an escrow account not later than March 15, 2008 or that the grant set-aside amount will be reduced accordingly by close of business on March 16, 2008;

Whereas, the priority order of projects within the City of Cheboygan’s application submission is consistent with the local community development plans described in the Notice of Interest;

Whereas, the City of Cheboygan is designated as a low/moderate income community and at least 51% of the beneficiaries of the proposed projects would be low and moderate income persons or result in the removal of downtown blight;

Whereas, no project costs (CDBG and non-CDBG) will be incurred prior to a formal grant award, completion of the environmental review procedures and formal, written authorization to incur costs is received from the Community Assistance Team;

Whereas, Scott E. McNeil, City Manager and DDA Director is authorized to submit the Michigan CDBG Vibrant Small Cities Initiative Application and associated documents on behalf of the City of Cheboygan;

Whereas, Scott E. McNeil, City Manager and DDA Director will serve as the lead contact person;

Whereas, Scott E. McNeil, City Manager and DDA Director shall serve as certifying officer for the environmental review;

Whereas, the City of Cheboygan recognizes that the VSCI program rules, regulations, and State as well as Federal policies and requirements vary dependent upon the funding categories selected including, but not limited to, reuse/resale provisions, Uniform Relocation Act, and Section 106 review; and

Now Therefore the Mayor and City Council of the City of Cheboygan hereby resolves to affirm the aforementioned elements of this Resolution and approve the submission of a CDBG Grant application which is consistent with the elements of this Resolution and with the Notice of Interest as submitted pursuant to the Vibrant Small Cities Initiative Grant Program.

Adjournment

Councilwoman Lepp moved to adjourn the meeting at 8:18 p.m. Seconded by Councilman Tebo. Motion carried unanimously.

Mayor James Muschell

Deputy Clerk Janet M. Gahn

Councilman Richard B. Sangster

Councilman Gerald R. Boardman

Councilwoman Winifred L. Riddle

Councilman Charles Charboneau

Councilman Leslie A. Tebo

Councilwoman Theo Lepp