

REGULAR CITY COUNCIL MEETING
December 26, 2007

The Regular 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 Sangster, Charboneau, Muschell, Boardman, Tebo, Lepp and Riddle

Councilman Sangster led the Pledge of Allegiance to the Flag.

Approval of Agenda and Receive and File all Communications

Councilman Sangster moved to approve the agenda as presented and receive and file all communications. Seconded by Councilman Tebo. Motion carried unanimously.

Correction and Approval of Prior Meeting Minutes

- **Regular City Council Meeting – December 11, 2007**

Councilman Boardman moved to approve the minutes of the December 11, 2007 Regular City Council Meeting as presented. Seconded by Councilwoman Riddle. Motion carried unanimously.

Public Comments

Public comment portion of the meeting opened by Mayor Muschell.

There being no comments from the public, the Public Comment portion of the meeting was closed by Mayor Muschell.

Public Hearings

- **Consideration of Blighted Area Rehabilitation Plan No. 1 District Area/Location: Land and building improvements at intersections of N. Huron Street and Backus Street and N. Main Street and Backus Street. District Area Legal Description: Supervisor J.M. Pennels 1st Addition to the City of Cheboygan, Lots 5, 6, 15 & 16, Block 3**

Public Hearing portion of the meeting opened by Mayor Muschell.

City Manager McNeil noted that this public hearing is in consideration of the Blighted Area Rehabilitation Plan No. 1. He explained that Public Act 344 of 1945 provides for addressing blighted areas and in order to proceed under the benefits provided by law, the statute requires that a district be established, a rehabilitation plan be developed, and a public hearing be held on that plan. City Manager McNeil stated that the law provides the ability to condemn property under eminent domain based on whether or not the property meets the blight definitions. He explained that one of the blight definitions includes utilities that have been disconnected for one year or more, adding that definition in and of itself qualifies the former F. W. Woolworth property as blighted under the statute. City Manager McNeil also explained that if the property qualifies for blight, the law allows municipalities to acquire property through eminent domain by virtue of it being blighted otherwise public need and purpose must be demonstrated. He noted that Council may recall recent issues on the ballot for the State of Michigan relative to the definitions of public purpose and that there are serious restrictions as to whether property can be acquired by eminent domain and turned over to a private developer. City Manager McNeil commented that with this particular statute and going through this process, the City is able to avail itself to that type of redevelopment option as well. He noted that the primary purpose of this recommendation is the ability to acquire the property by eminent domain with fewer obstacles

and also position the City more favorably for Brownfield grants and loans. City Manager McNeil commented on the written plan that is intended to meet the requirements of the Act, noting that the plan has been reviewed by the City Attorney and meets with his approval. Mayor Muschell asked if some form of proof is needed that the property is blighted. City Manager McNeil stated that proof of blight would be needed if the City were to proceed with acquiring the property under the eminent domain requirements. He explained that if the City were to proceed under eminent domain, there are two issues the City would have to demonstrate and the first is public need or what criteria is being used to acquire the property as a public entity, which could include documentation that utilities have been disconnected for one year or more. The other requirement is that once public need or the right to acquire the property is demonstrated, just compensation to the property owner would be determined by the court. Councilwoman Riddle questioned the next step if Council adopts the proposed Blighted Area Rehabilitation Plan. City Manager McNeil stated that as far as pursuing an action plan toward that objective, the DDA is the entity that has the best ability of acquiring or otherwise moving forward with acquisition of that property and needs to be aware of this tool as well as the Brownfield grants and other options that are available. He added that this issue will be addressed at the next DDA meeting. Councilman Sangster noted the blight items being contested include the lack of utilities, mold and other issues, and questioned the chances of correction and whether the property would be considered blighted if those issues are corrected. City Manager McNeil replied that correction would be very difficult in this particular case. Councilman Sangster commented on the cost to clean up the property. City Manager McNeil noted that the court may inquire about the plan for the property, adding that the plan that is in place is general but appears to meet the requirements of the statute. Councilman Sangster asked if City Manager McNeil is comfortable with that plan. City Manager McNeil indicated that he is comfortable with the plan.

Public Hearing portion of the meeting closed by Mayor Muschell.

Councilman Tebo moved to adopt the Blighted Area Rehabilitation Plan No. 1 District Area/Location: Land and building improvements at intersections of N. Huron Street and Backus Street and N. Main Street and Backus Street. District Area Legal Description: Supervisor J.M. Pennels 1st Addition to the City of Cheboygan, Lots 5, 6, 15 & 16, Block 3. Seconded by Councilwoman Lepp. Motion carries unanimously.

Communications and Petitions

There were none.

Boards and Commission Reports

- **Regular Planning Commission Meeting – December 17, 2007**

City Manager McNeil stated that the primary issue before the Planning Commission was consideration of an application for a zoning change at property commonly known as Parkview Apartments. He commented that the owner is considering conversion of Parkview Apartments to residential condominiums and is seeking a zoning change that would allow that conversion. City Manager McNeil explained that the property is zoned as Tourist Service and is currently a non-conforming use. He commented that after reviewing the Ordinances and Ordinance definitions, a multi-family zoning would have to be approved in order to facilitate this development, which caused some concerns with the Planning Commission because that is contrary to the Projected Land Use Plan, although the Planning Commission was desirous of the change of use that is being promoted by the owner. City Manager McNeil noted the Planning Commission is trying to discern how to facilitate the proposed plan without a zoning change to Multi-Family. He commented that he

reviewed some of the Zoning Ordinances and provided the Planning Commission with a report relative to his determination along with copies of the definitions. Additionally, he also reviewed the Planned Unit Development Ordinance and informed the Planning Commission that could be used with the exception that the PUD Ordinance provides for a minimum of a three acre site. City Manager McNeil noted that the site being proposed is approximately 1.5 acres, otherwise it appears the PUD Ordinance would facilitate this type of new development land use. He commented that the Planning Commission will review the criteria in consideration of recommending an amendment to the City Council relative to the three acre minimum.

- **Regular Recreation Commission Meeting – December 19, 2007**

City Manager McNeil reported that one of the final action items from the Strategic Plan that the Recreation Commission undertook was to review current recreation programming and determine if that programming continues to meet the needs of the community or whether some activities should be eliminated or added to the program. After several meetings of review and a presentation by Recreation Department Director Scott Hancock, the Recreation Commission felt that the current program is well-rounded and in good order with activities either being offered by the City's Recreation Department or programs that the Recreation Department is somehow involved with. The Recreation Commission recommends that the current programs continue although they have resolved to review the programming more often than in the past. City Manager McNeil stated that the Recreation Commission also discussed and officially received the gift from the Gordon and Frances Spies Trust. Additionally, the Commission received copies of a report generated by a Committee formed eight years ago to investigate the development of a community swimming pool, and will discuss at their next meeting, how that plan might be reinitiated.

- **Regular Human Relations Board Meeting – December 20, 2007**

City Manager McNeil stated that the Human Relations Board discussed preparations for the Martin Luther King Day event to ensure all the arrangements are in order. He noted that the event will take place on Sunday, January 20, 2008 at 2:00 p.m.

- **Department of Public Safety Year-End Ordinance Violation Report**

Chief Jones referred to the Year End Ordinance Violation Report, specifically the month of December 2007, noting that an issue arose after the report was prepared which involved property owners not attending to their sidewalks in the downtown area. He explained that the property owners were given notice and the situations were ultimately resolved. Chief Jones provided a breakdown of Ordinance violations which include vehicle and yard complaints and sign ordinance violations as well as one blighted building citation. He commented that the total violations for 2007 will be provided the first of next year.

General Business

- **Consideration of a Proposal for Engineering Services Pursuant to CDBG Planning Grant for Wastewater Treatment Plant Needs Assessment, and approval of a Letter of Condition**

City Manager McNeil stated that the City received grant funding designed to help determine what can be done with the City's Wastewater Treatment Plant to position the City of Cheboygan to assist with industrial treatment, specifically with regard to Great Lakes Tissue. He noted that an engineer was selected and after discussions with the City and Great Lakes Tissue, discovered that the needs and budget exceeded the original grant funding. As a result, additional grant funding was requested and received, and a written project and study scope has been developed. City Manager McNeil

commented that the cost under this cost proposal section mirror the updated grant. He noted that the project scope outlines issues relative to the City's Wastewater Treatment needs as well as Great Lakes Tissue and those that are in common. City Manager McNeil explained that the engineers are to study all of those issues and make recommendations as to what type of improvements can be implemented based on that study. He noted that Great Lakes Tissue is to participate in the match funding toward the grant and as such, besides recommending Council approve the scope of services as developed by the engineer, he is also requesting that Council approve a Letter of Condition that will require the engineer to obtain permission from the City of Cheboygan before proceeding with Great Lakes Tissue's portion of the work. City Manager McNeil explained that he proposes to condition the agreement to ensure that Great Lakes Tissue's portion of the match funding is received before proceeding with their part of the project. He stated that the agreement is straight forward as far as what the issues are and what the engineers will study and that he is recommending its approval. City Manager McNeil commented that he has not heard back from the City Attorney on this matter which is why he is recommending Council approve this arrangement contingent upon the City Attorney's review and approval.

Councilwoman Riddle moved to approve the Proposal for Engineering Services Pursuant to CDBG Planning Grant for the Wastewater Treatment Plant Needs Assessment, and approval of a Letter of Condition and authorize the City Manager to sign the same contingent upon City Attorney approval. Seconded by Councilman Boardman. Motion carried unanimously.

City Clerk's and Treasurer's Comments

- **Annual DDA TIF Financial Report for City's Fiscal Year Ended June 30, 2007**

Clerk/Treasurer Kwiatkowski referred to the annual report for fiscal year ended June 30, 2007, noting this information is provided to the State of Michigan Department of Treasury each year and is required to be advertised in the local newspaper, which has been done. He outlined a breakdown of revenue, expenditures, outstanding bond debt, initial assessed value, captured value and tax increment revenues received. Clerk/Treasurer Kwiatkowski noted that between the loss in operating millage and what was captured by the DDA, the City in the last fiscal year lost approximately \$220,000 in operating revenue; however, the City will recapture over \$100,000 of that in the next fiscal year due to the recent millage.

- **Lincoln Avenue Bridge Dedication Scheduled for Sunday, January 13, 2008 – 2:00 p.m.**

Clerk/Treasurer Kwiatkowski stated that Chief Jones, Ms. Kim Pappas, Executive Director of the Cheboygan Area Chamber of Commerce, and he met and developed a dedication ceremony with regard to the Lincoln Avenue Bridge. He explained that the ceremony will be held on Sunday, January 13, 2008 at 2:00 p.m. The staging area for speakers will be located near the boat launch facility on the east side of the River, followed by a brief ribbon cutting ceremony and bridge walk with bridge walk certificates provided by the Chamber of Commerce. Clerk/Treasurer Kwiatkowski commented on a request for a Native American blessing due to the history of Cheboygan and that the Ministerial Association will be contacted for possible representation. Additionally, the project engineer has been contacted as well as MDOT and the offices of Senator Allen and Representative Elsenheimer. Clerk/Treasurer Kwiatkowski added that participation is difficult to determine due to weather conditions. Councilwoman Riddle asked which side of the bridge the ribbon will be located. Clerk/Treasurer Kwiatkowski stated that the ribbon cutting ceremony will be on the east side of the bridge. Chief Jones mentioned providing a press release for the event as well as preparation for the east side area for the presentation and ribbon cutting ceremony.

City Manager’s Report

- **City of Cheboygan Strategic Plan Priority #2 – Sidewalk Repair and Walkable Community Objective**

City Manager McNeil stated that he recently reviewed a report from the engineer and the Director of Public Works, who developed a preliminary determination of sidewalks needing repair and will have a recommendation for the Committee as to which areas to address first and how large an area can be accomplished in a single year project. He noted that he expects that plan will be finalized shortly after the first of the year and a Committee meeting will be called. He also commented on the directive from the Strategic Planning Task Force to identify possible revenue sources that the City could avail itself to and devote toward the sidewalk repair and walkable community objective, noting that directive was turned over to the Clerk/Treasurer. Mayor Muschell commented on the floating boardwalk concept along the River which provides access to the property for use as a walkway or mooring, and could be relocated if necessary. City Manager McNeil stated that as Council may recall there has already been a walkable community design identified that the Committee has approved which provides for walkways and sidewalks that connect all the public areas, and would likely entail the first year project being recommended by the Department of Public Works.

- **2008 Capital Improvement Planning Process**

City Manager McNeil stated that all department heads are going through the annual capital improvement planning process and anticipate completing that process within the next six to eight weeks in preparation for next year’s budget. He commented that any Council members who have concerns with regard to improvements which fall under the capital improvement planning process should contact him or any department head.

Messages and Communications from Mayor and Council Members

- **County Marina Floating Walkway**

Mayor Muschell commented on the example of the stability of the floating walkway provided at the County Marina. He noted that some people have objections to that structure because they are not familiar with the structure.

Adjournment

Councilwoman Riddle moved to adjourn the meeting at 7:38 p.m. Seconded by Councilman Boardman. Motion carried unanimously.

Mayor James Muschell

City Clerk Kenneth J. Kwiatkowski

Councilman Richard B. Sangster

Councilman Gerald R. Boardman

Councilwoman Winifred L. Riddle

Councilman Charles Charboneau

Councilman Leslie A. Tebo

Councilwoman Theo Lepp