

The regular meeting of the Clare City Commission was called to order at 6:00 p.m. in the Commission Chambers by Mayor Pat Humphrey who led the Pledge of Allegiance. Present were: Commissioners Bill Horwood, John Koch, Tom Koch, Jean McConnell and Pat Humphrey. Absent: None. Also present were Ken Hibl, City Manager; Dale Clark, Assistant Waste Water Superintendent; Steve Kingsbury, Treasurer and Finance Director; Amanda Green, Parks and Recreation Director; and Diane Schmidt, City Clerk.

2. CONSENT AGENDA:

Moved by Commissioner Jean McConnell second by Commissioner Bill Horwood to approve the items listed with an asterisk (*) (Agenda, Minutes, Communications, Department Reports, First Reading of Ordinances 2010-003, 2010-004, 2010-005 and Approval of Bills), that are considered to be routine by the City Commission. Ayes: All. Nays: None. Absent: None. *Motion Carried.*

3. *APPROVAL OF MINUTES:

Consent Agenda Approved.

4. *APPROVAL OF AGENDA:

Consent Agenda Approved.

5. PUBLIC COMMENT: None

6. OLD BUSINESS/UNFINISHED BUSINESS: None.

7. NEW BUSINESS:

A. CLARENDON GLEN PILOT REQUEST.

The City Staff has been in discussions regarding taxation and the possibility of a Payment in Lieu of Taxes (PILOT) with members of TJ Clarendon Glen Limited Partnership since 2009. In January 2010 our City Assessor received a formal request from TJ Clarendon Glen Limited Partnership asking that the City consider granting them a 12% PILOT. The basis for their request is their claim of unanticipated taxation levied by the City after the purchase of this property and their costs associated with renovation of the apartment complex. The United States Department of Agriculture (USDA), which was/is the Partnership's primary source of funding for this housing project, has endorsed this request.

Municipalities are granted the authority to issue Payment in Lieu of Taxes status to qualified entities by Act 346 of 1966; TJ Clarendon Glen Limited Partnership meets the PILOT qualification/eligibility criteria outlined by the Act.

The City currently has four such relationships in the City (Gateway Village, Pebblestone Apartments, Rosewood Manor, and ClareCastle). PILOT ordinances are traditionally granted in advance of development (as were all four of the City's current PILOT relationships), thus this request is unique as the housing project is already in existence and the PILOT was requested after the Partnership realized the actual amount of taxation on the property. But the Act does not preclude a municipality from granting an after-the-fact PILOT ordinance.

Due to the Clare City Planning Commission's vastly expanded role in the fiscal workings of the City (e.g., requirement to review and provide comment regarding all proposed capital projects) mandated by Michigan's new Zoning and Planning Enabling Acts, the planning commission was asked to review and consider the PILOT request. They did so at a scheduled public meeting in June; by majority vote (Resolution 2010-006PC), the Clare Planning Commission recommended denial of the PILOT request.

Concurrent with their request for approval of a 12% PILOT, TJ Clarendon Glen Limited Partnership offered us their analysis of the impact of approving the request. Steve Kingsbury, our Treasurer and Finance Director, previously conducted a similar analysis.

The issuance of a PILOT must be completed by ordinance; therefore, we are seeking the City Commission's guidance whether to proceed with the process

(notice of public hearing, development of an ordinance, first and second readings, etc.) or to reject the Partnership's request.

In determining the direction the City Commission desires the City Staff to take in this matter, the following factors should be considered:

- All PILOT requests should be considered on its own merits or faults – not compared to other PILOTs.
- PILOTs are generally requested prior vs. after construction or rehabilitation, and it is the developer's responsibility to determine whether or not to request a PILOT based on their own analysis of the financial feasibility of the project.
- The long-term fiscal impact granting of a PILOT will have on the City – specifically, what is the difference in the amount of taxes the City and all the other taxing entities (CPS, Clare County, MMCC, Clare County Transit, and PMDL) will receive if a PILOT is granted compared to what these taxing entities would receive under the current ad velorum status.
- The TJ Clarendon Glen Limited Partnership has made a significant investment and tremendous improvements in this affordable housing complex.
- The amount of affordable housing currently available in the City – specifically, is the ratio of affordable vs. market value housing appropriate for Clare.
- The impact or result of denial of a PILOT to the Partnership and to the residents of Clarendon Glenn Limited Partnership.

Jeff Gates of Clarendon Glenn Limited Partnership provided an overview of the Partnership's position on the requested PILOT.

After a lengthy discussion, Commissioners Bill Horwood, Pat Humphrey John Koch and Jean McConnell directed City Staff to draft an ordinance and query taxing jurisdictions which the PILOT would affect, so that their opinions can be considered prior to approval or rejection of the Partnership's request. Commissioner Tom Koch opposed moving forward with the request stating that increasing the (tenant's) rent by twenty dollars a month would cover the increase in taxes.

B. REQUEST FOR ZONING CHANGE: 4756 EAST NORTH COUNTY LINE ROAD

The City has received a request from Mrs. Ruth Teeter to change the zoning of the property located at 4756 East North County Line Road (residential property fronting US-BR10 adjacent to Benchley Bros.) in Clare from Residential-1 (single-family residential) to Commercial-2 (light industrial).

A purchase agreement between the property owner and Coyne Oil is contingent upon approval by the City Commission for the rezoning request and conceptual approval of a site plan for a retail propane facility.

All zoning request changes within the City are first required to be presented to the Planning Commission for review, consideration, and recommendation(s) to ensure conformity to the City's Master Plan prior to submittal to the City Commission for consideration. The City of Clare Planning Commission approved the rezoning request (Resolution 2010-013PC) and conceptual approval of a site plan for a retail propane facility at a special meeting held on August 11, 2010.

Two public comments were received at the planning commission meeting. Tom Kunse supported the zoning change request. Dave Seiter expressed concern regarding access to adjoining parcels, wanting to make sure that access to those parcels remained intact.

In accordance with the City's Charter and Ordinance Codes, the authority to grant or deny zoning changes rests with the City Commission. The City Commission is required to treat all zoning changes as an ordinance amendment. Therefore, the City Commission is required to hold a public hearing to receive comment related to the requested zoning change and subsequently either direct a first reading of the proposed ordinance change or deny a first reading, thereby essentially rejecting the zoning change request. A public hearing has been noticed, and property owners within a 300' radius of the property to be rezoned have been notified.

The City's Future Land Use Map, which is a key component of the City's Master Plan, depicts the future use of this property as commercial; consequently, this request conforms to the proposed future use stipulated in the City's Master Plan. Denial of this zoning change request would invalidate the City's Future Land Use Map and require that the Planning Commission reconsider this aspect of the City's Master Plan.

Motion by Commissioner Jean McConnell second by Commissioner John Koch to open the public hearing pertaining to the requested zoning change. Ayes: All. Nays: None. Absent: None. *Motion Carried.*

Public Comment: Paul Lapham expressed concern regarding access to adjoining parcels, opposing abandonment of that section of Clarabella Road if Coyne moves forward with a proposed site plan for a retail propane facility.

Motion by Commissioner Jean McConnell second by Commissioner Bill Horwood to close the public hearing pertaining to the requested zoning change. Ayes: All. Nays: None. Absent: None. *Motion Carried.*

C. CONCEPTUALLY APPROVE PARTNERSHIP ARRANGEMENT FOR CLARE DEPOT RELOCATION SITE & DEPOT RESTORATION: MIDMICHIGAN COMMUNITY ACTION AGENCY & CITY OF CLARE

As the City Commission is aware, we have developed a partnership with MidMichigan Community Action Agency (MMCAA) related to the purchase of the former CarQuest property on West Fourth Street, which is intended to be used as a future home for the Clare Railroad Depot. The basic outline of the agreement is that MMCAA will purchase the building and the property on behalf of the City; MMCAA will donate the two adjacent property parcels, which it owns, to the City; MMCAA will "front" the cost of demolition of the buildings; the City will repay MMCAA for the cost of the CarQuest building and demolition costs for the buildings over time with interest; and MMCAA will partner with the City to relocate and rehabilitate the depot building.

The attorneys for the City and MMCAA have developed a draft agreement related to the aforementioned partnership.

Commission members offered that even if the Depot was not relocated to that site, the purchase of the property and demolition of the buildings would be worth the investment.

Motion by Commissioner Bill Horwood second by Commissioner John Koch for conceptual approval of the proposed real estate purchase agreement, by adoption of Resolution 2010-090. Roll call vote: Yeas: Commissioners Bill Horwood, John Koch, Jean McConnell and Pat Humphrey. Nays: Tom Koch. Absent: None. *Motion Approved.*

D. WATER TOWER REPAINTING BIDS

The exterior paint on the City's water tower has exceeded its expected life cycle by at least five years. Consequently, the City contracted with Dixon Engineer & Inspection Services to solicit bids to repaint the tower and perform related and safety and maintenance upgrades, e.g., installation of a now-mandated fall prevention device and safety rail, etc.

Dixon Engineering solicited bids on behalf of the City for this project. As indicated in the attached correspondence from Dixon Engineering, they received seven bids – five being below their original estimate of costs for the project. They have recommended that a Notice of Award be issued to Fedewa, Inc. of Nashville, Michigan for a project cost of \$63,700; Fedewa, Inc. was the low bidder for this project.

As reflected in John Holland's memo, we do not have the in-house resources and expertise to oversee this project; therefore, John has recommended that we utilize the services of Dixon Engineering to perform these functions for us. I concur with John's recommendation. A proposed contractual agreement with Dixon Engineering for project oversight is attached.

Dixon Engineering has proposed that the City consider changing the current color scheme of our water tower to a two-toned scheme (paint the stem and lower 1/3 of the bowl green and paint the top 2/3s of the bowl white with green logos) to reduce the frequency of the need to power wash the tower. The Planning Commission agreed with this proposal at the August 11, 2010 special meeting. The City Commission agreed with the recommendation of the Planning Commission regarding the color scheme.

Motion by Commissioner Jean McConnell second by Commissioner Bill Horwood to approve issuance of the Notice of Award to Fedewa, Inc. and approve the contractual agreement with Dixon Engineering by adoption of Resolution 2010-089. Roll call vote: Yeas: Commissioners Bill Horwood, John Koch, Tom Koch, Jean McConnell and Pat Humphrey. Nays: None. Absent: None. *Motion Approved.*

E. ORDINANCE 2010-003 & ORDINANCE 2010-004: MICHIGAN PLUMBING CODE ORDINANCE & MICHIGAN MECHANICAL CODE ORDINANCE

The City received approval from the State of Michigan to commence issuance of plumbing and mechanical permits, thereby streamlining the building permit issuance and inspection process and procedures for local residents, businesses, and builders. The City entered into an intergovernmental agreement with Isabella County to perform the actual plumbing inspections and mechanical inspections. We are also required by the State of Michigan to adopt plumbing and mechanical ordinance codes before we can commence offering these new services for our residents and businesses.

All changes, additions, or deletions of the City's Ordinance Codes require the approval of the Clare City Commission. Prior to adoption of any change, addition, or deletion, the City Commission is required to hold a public hearing and consider the proposed change at two separately scheduled public meetings. We have noticed the City's intent to adopt the proposed new ordinances and the required public hearing to solicit comments regarding the proposed change; to date we have received no written comment.

Motion by Commissioner John Koch second by Commissioner Jean McConnell to open the public hearing pertaining to the addition of Ordinance 2010-003 and 2010-004 to the City's Ordinance Codes. Ayes: All. Nays: None. Absent: None. *Motion Carried.*

Public Comment: None

Motion by Commissioner Jean McConnell second by Commissioner Tom Koch to close the public hearing pertaining to the addition of Ordinance 2010-003 and 2010-004 to the City's Ordinance Codes. Ayes: All. Nays: None. Absent: None. *Motion Carried.*

F. BEECH & W. FOURTH STREET STREETScape PROJECT BIDS

We applied for and received approval for a community development block grant of \$127K (\$50K local DDA match; \$87K grant funds) to construct a streetscape project on West Fourth Street and Beech Street. Gourdie-Fraser (GFA), our engineer of record, solicited project bids for the City; three bids were received – the lowest being for \$204.6K (\$77K over budget).

Additional grant funds are not available for the project; therefore two options remain; reduce the scope of the project or “kill” the project.

A special DDA meeting was held Monday morning August 16, 2010, to obtain a consensus of recommendations formulated as a result of a meeting with GFA on August 12, 2010. With approval from the DDA and the Michigan Economic Development Corporation (the grant agency), it is the recommendation that we reduce the scope of the project.

Motion by Commissioner Bill Horwood second by Commissioner John Koch to approve a reduction in scope of the project, by adoption of Resolution 2010-092.

Roll call vote: Yeas: Commissioners Bill Horwood, John Koch, Jean McConnell and Pat Humphrey. Nays: None. Abstain: Tom Koch. Absent: None. *Motion Approved.*

G. PURCHASE OF SOCCER GOALS

The City's Youth Soccer Program continues to see growth: eight more teams this year than last. The growth requires the unplanned purchase of additional soccer goals (*note: we have sufficient space at the Clare Airport to create additional soccer fields to accommodate the additional teams*).

To support the expansion of this year's soccer program, four more sets of goals are needed. Amanda Green solicited and received quotations from six vendors ranging in price from \$7,717.80 to \$10,139.12. The Parks & Recreation Advisory Board was telephonically queried regarding the purchase of the goals; the Board unanimously recommended purchase of the goals from Jay's Sporting Goods for a cost of \$7,795.

Motion by Commissioner Jean McConnell second by Commissioner Bill Horwood to approve the purchase of the four sets of soccer goals from Jay's Sporting Goods for a cost not to exceed \$7,795, by adoption of Resolution 2010-091. Roll call vote: Yeas: Commissioners Bill Horwood, John Koch, Jean McConnell and Pat Humphrey. Nays: None. Abstain: Tom Koch. Absent: None. *Motion Approved.*

8. TREASURER'S REPORT

Treasurer's Report Received.

9. *DEPARTMENT HEAD REPORTS

Consent Agenda Approved.

10. CITY MANAGER'S REPORT

Hospital Joint Committee Survey Results. To retain its accreditation, MidMichigan Medical Center – Clare is required to undergo period inspections/evaluations. The results of the most recent evaluation reflect that the Clare hospital ranks among the top percentile of all hospitals nation-wide, which is superb testimony to the management and medical staff of our hospital.

Progress Report – East Wheaton & Pine Street Renovation Project. Curb and other concrete work (sidewalks and approaches) should be completed today; roadbed (sand and gravel) work should be completed tomorrow; restoration should be completed by August 18th. As of today, we don't have a date for paving – it is dependent upon the schedule of Central Asphalt. We fully anticipate this project to be completed long before school-start date (September 7th).

First September Meeting. The first Clare City Commission meeting for the month of September will be held on Tuesday, September 7th versus Monday, September 6th due to the Labor Day Holiday. City offices will be closed on September 6th in commemoration of the federal holiday.

MDOT Traffic Light and Traffic Lane Changes in Downtown Clare. MDOT is conducting a two-week test that will run through August 25, converting the downtown area from four lanes to three lanes and incorporating a bike/buggy lane. Part of the reason MDOT is proposing bike lanes running north and south on McEwan Street is due to a current initiative to develop a bike trail from Ithaca to Clare, connecting to the Pere Marquette Rail-Trail. Travelers who are unhappy with the new lights and road markings are encouraged to make it known to us so that their complaints can be forwarded to MDOT.

Planning Commission Medical Marijuana Meeting. The Planning Commission received an overwhelming amount of useful information related to land use and medical marijuana at the August 11, 2010. They are unsure which direction they will go on the issue related to land use and will therefore discuss the subject again at their next meeting.

11. *COMMUNICATIONS:

Consent Agenda Approval.
No significant communications were received.

12. APPROVAL OF BILLS:

Consent Agenda Approval.

13. EXTENDED PUBLIC COMMENT: Bill Horwood noted that he has received many complaints related to the new traffic signals.

14. COMMISSION DISCUSSION TOPICS: None.

15. ADJOURNMENT:

Motion by Commissioner Jean McConnell second by Commissioner Bill Horwood to adjourn. Ayes: All. Nays: None. Absent: None. *Motion Approved.*

Meeting adjourned at 8:10 p.m.

Pat Humphrey, Mayor

Diane Schmidt, City Clerk