

City of Northville
CITY COUNCIL REGULAR MEETING MINUTES
March 15, 2010

Mayor Johnson called the meeting to order with the Pledge of Allegiance at 7:30 p.m. in the City of Northville Municipal Building, City Council Chambers, 215 W. Main Street, Northville, Michigan, 48167.

ROLL CALL

Present: Mayor Christopher Johnson, Mayor Pro Tem James Allen, Councilmembers Nancy Darga, Michele Fecht

Absent: Councilmember Douglas Bingham (excused)

Also Present: City Manager Patrick Sullivan, Assistant City Manager/Finance Director Nicolette Bateson, DDA Executive Director Lori Ward, Parks and Recreation Director Traci Sincock, City Clerk Dianne Massa, reporter from the Northville Record, and two citizens

PRESENTATIONS

A. Citizen Comments

State Representative Marc Corriveau spoke of the projected State budget deficit, proposals by the Governor and the legislature to raise additional revenue, possible further reductions to State-shared revenue, and the effect this will have on county and local governments. Further comments pertained to the foundation laid for a more diversified state economy, including manufacturing green energy, and continued investments in tourism and the film industry.

APPROVAL OF AGENDA AND CONSENT AGENDA

“Certified Local Government Grant Resolution” was added to the agenda.

Motion Allen, seconded by Darga to approve the agenda and consent agenda as amended.

Approve City Council Minutes of:

- Regular Meeting of March 1, 2010

Receive Bills List: Checks #69194 to #69261, #69262 to #69344 / EFT's #500012 & 13

Receive Board and Commission Minutes:

- Liquor License Review Committee: 1/19/10

Receive Departmental Reports:

- Youth Assistance: 03/10

Board and Commission Appointments: None

Request to Dispose of Assets / DDA

Special Event Request / Rouge Rescue Educational Event / June 5, 2010

Special Event Request / Friday Night Concert Series

Motion carried unanimously.

RESOLUTIONS AND ORDINANCES

A. Proposed Ordinance Amendment / Temporary Structures / First Reading

At the March 2, 2009 City Council meeting, text amendments to the Temporary Structures Ordinance were introduced. Following discussion, City Council requested that the proposed text amendments be referred back to the Planning Commission for further revision. City Council's comments were discussed at the June 16, 2009 Planning Commission meeting and Council was invited to attend the next meeting to enhance communication. Two members of City Council attended the August 18, 2009 Planning Commission meeting to address Council's comments including:

- Length of time limitation for PODS (30 days)
- Allowance for more than one POD in an emergency situation
- Eliminations of restrictions on membrane structures
- General comments on the intent and purpose of the proposed ordinance

At the October 6, 2009 Planning Commission meeting, the proposed changes were put into draft form by Carlisle/Wortman and presented to the Planning Commission for approval. The draft proposal included bringing the BZA and Building Official into the process for certain approvals, time frame regulation, dumpster placement, and defined separation of temporary structures and membrane structures. The draft proposal was approved with minor corrections to be forwarded to City Council for adoption. The Planning Commission Chairperson attended the October 21, 2009 Historic District Commission meeting to present the Planning Commission's plans for both PODS and membrane structures. The HDC Commissioners were in agreement with the Planning Commission to not allow membrane structures within the Historic District.

At the March 1, 2010 City Council meeting, proposed text amendments to the Temporary Structures Ordinance were introduced. During that meeting, City Council asked that the proposed text amendments be referred with comments back to the Planning Commission for further amendment. It was requested that the additional amendments include provisions for persons that are undertaking building projects, environmental cleanup, or similar emergency repair projects. The ordinance has been revised to provide for two containers for such projects. The containers can remain on-site as long as the project is making reasonable progress towards completion in the opinion of the Building Official.

The amendments which include prohibition of membrane structures in residential zoning districts, as recommended by the Planning Commission and the HDC, are described in the Planning Consultant's February 12, 2010 memo, and are being recommended for adoption by the Planning Commission.

Council Comments and Discussion: For clarity, it was requested that Section 18.22a(2) be further amended by moving "Time extensions may also be granted by the Board of Zoning Appeals" to the end of subsection 2.

Motion Fecht, seconded by Allen to introduce for first reading, the proposed amendments to Chapter 58-1 Zoning in the City of Northville Code of Ordinances, Articles 18 and 26 as modified, with second reading and possible adoption scheduled for April 5, 2010. **Motion carried unanimously.**

B. Proposed Ordinance Amendment / Chapter 70 Special Assessments / First Reading

The City of Northville has been approached by a property owner seeking relief on the annual payment required for the parking credit special assessment levied on his property. City Staff and the City Attorney have reviewed the applicable City ordinances and State of Michigan statutes to determine whether there was a way to provide relief. The goal would be to lower the dollar amount of annual payments for the property owners while still being able to provide for the parking program needs.

The evaluation of this request included reviewing:

- The current special assessment agreement, which notes the 10-year payment term for the City's parking credit special assessments.
- Section 70-21 of the City of Northville Code of Ordinances, which states that all special assessments shall become due upon confirmation of the special assessment roll or in annual installments not to exceed 15 in number, as the Council may determine at the time of confirmation. If in annual installments, the Council shall determine the first installment to be due upon confirmation or on the following July 1 and subsequent installments on July 1 of succeeding years.
- Parking Fund budget and Cash Flow Analysis documents.

Based upon review of the above, the recommendation is to allow the interested property owners to request an amendment to the contract in lieu of special assessment to extend the payment term from ten to fifteen years, with the continuing caveat that they may pay the principal in full at any time. This would require amending "Section 70-18 – Contract Authorized in Lieu of Special Assessment Procedure" and "Section 70-19 – Lien – Created" in the Code of Ordinances.

The proposed amendments would assist in providing relief for commercial property owners during this unique economic climate. As such, the standard special assessment agreement is proposed to continue to be ten years. Although the cash flow is lower in the first four years, the cash flow is higher in subsequent years. The total interest earnings are higher because of the extended payment period. The property owner would still have the option to pay off the special assessment at any time thereby reducing their interest cost. The five year capital improvement plan for parking expansion and/or improvement will not be impacted unless a new, unforeseeable project is identified. The Parking Fund will have adequate reserves for the next major project scheduled.

It was also recommended that a policy be established to ensure that any contracts are amended in advance of the annual July 1 tax bill. The proposed policy and sample amendment agreement were provided for City Council review. Upon City Council approval, the final documents would be reviewed by the City Attorney.

Council Comments and Discussion: It was further explained that the interest rate of 6% has stood the test of time throughout different economies and would remain the same. Further explanation was given pertaining to the terms of the parking credit agreements and how changes of use might affect a parking credit agreement. The proposed ordinance change would allow the purchaser the option of extending their payment period from ten to fifteen years.

Motion Allen, seconded by Darga to introduce for first reading, the proposed amendments to Chapter 70 Special Assessments, Sections 70-18 and 70-19 of the Code of Ordinances as presented, with second reading and possible adoption scheduled for April 5, 2010. **Motion carried unanimously.**

C. Resolution Committing Funds to the Downtown Streetscape Enhancement Project

In February 2009, City Council approved a contract with JJR, an Ann Arbor based Landscape Architecture, Engineering and Planning firm, to develop designs for the downtown Sidewalk Replacement Project. The schematic designs were utilized for the development of an MDOT Enhancement grant and for the development of a financing strategy to pay for the much needed repairs and improvements.

On December 4, 2009, the City of Northville received a Conditional Commitment letter from MDOT indicating that the Downtown Streetscape Enhancement Project had been selected for funding in the amount of \$685,880 for fiscal year 2011. MDOT has agreed to allow the City of Northville to do an “Advance Construct” project, which would allow the City to construct the project this fiscal year and then request reimbursement in a later year. In January 2010 bonds were sold to finance the Streetscape Enhancements, with Tax Increments pledged from the DDA to service the bond debt.

On February 18, 2010, DDA and City staff participated in a Grade Inspection with MDOT. Because Federal Enhancement funds will be utilized in the project, DDA and City staff must work closely with the project architects and MDOT staff to ensure that all Federal regulations are adhered to and all deadlines are met. One of the MDOT regulations requires the local agency, in this case Northville City Council, to approve a resolution committing funds for the project and forward it to MDOT to be included in the project file.

The project is being funded through bond proceeds which will be repaid with Tax Increment Financing revenue pledged by the DDA. Once the project is complete, and assuming that the Federal Government reauthorizes the Transportation Act, the City/DDA will seek reimburse from the MDOT grant in the amount of \$685,880.

Motion Darga, seconded by Allen to adopt a resolution committing funds for the Downtown Northville Streetscape Enhancement Project and direct DDA staff to forward the executed resolution to MDOT.
Motion carried unanimously.

D. Certified Local Government Grant Funding Resolution

Earlier this year, the City of Northville applied to the State of Michigan to become a Certified Local Government (CLG). The City is currently awaiting notification on their application. The Certified Local Government Program is a preservation partnership between local, state and national governments focused on promoting historic preservation. The program is jointly administered by the National Park Service (NPS) and the State Historic Preservation Office (SHPO) in each state, with each local community working through a certification process to become recognized as a Certified Local Government (CLG).

One of the benefits of becoming a CLG is access to Federal funding. At least ten percent of the annual Historic Preservation Fund grant made to Michigan under the National Historic Preservation Act must be distributed to the CLGs. Currently there are only twenty-one Michigan local governments that have become CLGs. By meeting the standards, CLGs may receive financial aid and technical assistance that will enhance and promote historic neighborhoods and commercial districts. CLG grants may be used to identify, register, rehabilitate, and protect resources that are listed in or eligible for listing in the National Register of Historic Places. The grants can also be used for preservation planning and education projects.

Although the City has not been officially notified of the status of its CLG application, it has been encouraged to apply for this year's grant cycle. Following review of the grant categories, City staff identified the development of a historic markers program as a high priority for funding. The initial grant application would provide funding to hire a Historian to research, write, and develop the historic markers program for the City of Northville and Northville DDA. Next year the City could apply for additional funding for the design, development and installation of the markers program.

The DDA has designated \$25,000 in the proposed FY 2010-2011 budget for the development of a Historic Markers Program. The grant application requires the inclusion of a Resolution from the entity sponsoring the application for the project.

Council Comments and Discussion: A comment suggested City staff work with Motor Cities and Michigan Preservation Network to secure letters of support, which would assist the City in assembling a strong grant application in order to secure maximum grant funding. It was also explained that use of CLG funds is not restricted to the historic district.

Motion Fecht, seconded by Allen to approve a resolution to authorize the use of DDA funds in the amount of \$25,000 as matching funds for the State of Michigan's CLG grant program for the research, writing, and development of a Historic Markers program for the City of Northville. **Motion carried unanimously.**

NEW BUSINESS

A. 2010 Friday Night Summer Concert Series Projection / Agreement with Signature Professional Group

Since 2007, the Friday Night Summer Concerts have become a popular event for the Town Square area. In 2009, it is estimated that attendance at each of the 12 concerts was between 500 and 2000 people. Much of the success of the concert series is the quality of the entertainment and the professional production of the concerts. Since 2007, the City of Northville has contracted with Signature Professional Group (SPG, formerly known as Signature Audio Services) for concert production services. These services include: entertainment selection, on-site concert production, and contractual agreements with the entertainment.

Based on the success of the past three seasons, it is proposed that SPG be contracted to provide the concert production services for the 2010 concert series as outlined in their agreement. The revenue received from confirmed sponsorships will allow for nine (9) concerts in 2010, plus the NHS Jazz Band. SPG agrees to provide additional insurance coverage for the City of Northville. The proposed agreement was reviewed by the City Attorney and Liability Insurance Provider MMRMA and their requirements were incorporated into the agreement.

The concert series is funded entirely through sponsorships. Confirmed sponsorships for the 2010 Friday Night Summer Concert Series include the Northville Downtown Development Authority, Wine Sync/Starring the Gallery, and from individual concert sponsorships sold. SPG has agreed to hold their 2009 average concert price for the 2010 season.

Council Comments and Discussion: Discussion ensued pertaining to sponsorships and advertising. It was also noted that 100% of the revenue received is from sponsorships. Last year, City Council put the operation of Town Square under the jurisdiction of Parks and Recreation. The cost of the concert program, including production, set up and clean up is covered by the sponsorship funds.

A comment noted that certain businesses had questioned the value of the concert series and whether or not the concert series actually increase foot traffic and business in the downtown. Staff noted that concert attendance ranges between 500 – 2,000 attendees depending on the concert. Staff plans to gather information during the 2010 series to quantify the economic impact the concert series has on the downtown businesses. The DDA Director also noted that the owner of Van Dam's stated that the night of the 2009 Fifty Amp Fuse concert, Van Dam's stayed open until after 11:00pm in order to service all their customers. Per the owner of Van Dam's, this was the best night ever for the store in all the years she's been in business. Other businesses have communicated that they have experienced an increase in business on concert nights.

Additional comments suggested that the DDA further communicate the economic development offered to the downtown businesses through the Friday concert series.

Motion Darga, seconded by Fecht to approve the 2010 Summer Concert Production agreement as submitted with Signature Professional Group of Wixom, Michigan in the amount of \$15,000 and authorize the City Manager to sign the agreement on behalf of the City. **Motion carried unanimously.**

COMMUNICATIONS

A. Mayor and Council Communications

Darga noted that the Northville Art House was recently rated as the best exhibition in the metro area for its "Art Under the Influence" exhibit.

B. Staff Communications None

There being no further business to come before Council, the meeting was adjourned.

Adjournment: 8:19 p.m.

Respectfully submitted,

Dianne Massa, CMC
City Clerk

Approved as submitted: 4/5/10

Christopher J. Johnson
Mayor