

City of Northville
CITY COUNCIL REGULAR MEETING MINUTES
July 16, 2018

Mayor Roth called the meeting to order with the Pledge of Allegiance at 7:00 p.m. in the City of Northville Municipal Building, City Council Chambers, 215 W. Main Street, Northville, Michigan, 48167.

ROLL CALL

Present: Mayor Ken Roth, Councilmembers Sam Ekong, Patrick Giesa, and Marilyn Price

Absent: Mayor Pro Tem Nancy Darga (excused)

Also

Present: City Manager Patrick Sullivan, City Clerk Dianne Massa, Police Chief Michael Carlson, Finance Director/Treasurer Sandi Wiktorowski, Planning Consultant Sally Elmiger, Representatives from Robinson Capital, and seven citizens

Mayor Roth read a statement informing those present that the City Council meeting was being recorded for rebroadcast on the City's website. By remaining at the meeting, consent is inferred by those present to have their voice and image recorded and posted on the City's website.

PRESENTATIONS

A. Citizens Comments

Robert Sochacki, 223 Linden, read the July 9, 2018 letter from Amy Arnold, Preservation Planner and Project Manager of Michigan Modern Project, to Mary Gallagher, Superintendent of Northville Public Schools (NPS). Ms. Arnold wrote of the history, legacy and architecture of Main Street School, 501 W. Main Street. Arnold urged the Northville Board of Education to learn more about the significance of this building before any development decisions are made.

Sochacki also noted that at the recent NPS board meeting, the Board voted to only consider bid proposals of projects that require demolishing this building. Sochacki urged City Council to help educate NPS and the public of the significance of this school in the City's history, and to oppose any plan to demolish this building.

APPROVAL OF AGENDA AND CONSENT AGENDA

Motion Price, seconded by Ekong to approve the agenda and consent agenda as presented.

Approve City Council Minutes: None

Receive Bills List:

- Accounts Payable Week of June 25, 2018

- Accounts Payable Week of July 2, 2018

Receive Board and Commission Minutes: None

Receive Departmental Reports: None
Board and Commission Appointments: None
Special Event Request / NCBA Sidewalk Sale / August 27-28, 2018
Request to Place Signs / Beautification Award Signs
The Senior Alliance / Request for Approval of Annual Implementation Plan / FY19

Motion carried unanimously.

PUBLIC HEARINGS

A. Resolution to Establish a Brownfield Redevelopment Authority

On May 21, 2018, City Council adopted a Resolution of Intent to create a Brownfield Redevelopment Authority. The next step is to hold a public hearing to allow for public comment. If Council votes to establish the Authority, an Authority board of between five and nine members would need to be appointed by Council at the August 6, 2018 meeting. The Authority would then meet to establish by-laws and procedures.

Once an Authority is established, developers would submit redevelopment plans and the Authority would then evaluate the plans and make recommendations to the City Council regarding the funding of eligible activities and the terms of the tax increment financing.

Public hearing opened at 7:12p.m. No comments. Public hearing closed at 7:12p.m.

City Council Comments: Discussion ensued pertaining to the 30-day timeframe for appointing an Authority board. Comments voiced concern that there wouldn't be sufficient time to advertise and interview interested applicants. There was consensus to adopt the resolution at the August 6, 2018 Council meeting. This would afford additional time to seek applicants and conduct interviews, with appointments placed on the September 4, 2018 Council meeting agenda.

RESOLUTIONS AND ORDINANCES

A. Zoning Ordinance Amendment / Articles 18, 25, 26 Temporary Uses First Reading

On June 5, 2018, the City of Northville Planning Commission conducted a public hearing on the proposed text amendments to Articles 18, 25, and 26 in the City of Northville Zoning Ordinance.

The Planning Commission evaluated the temporary uses covered by the City's existing Special Events Permit (for special events held on publicly-owned property), and the Peddler's/Solicitor's Licenses. The proposed language covers a few new uses that were not captured by these existing permits/licenses or in the Zoning Ordinance, and simplifies the approval process for a number of temporary uses already permitted in the Zoning Ordinance. These ordinance revisions include three categories of temporary uses:

- a. Mobile Food Vending (food trucks) not associated with a Council-approved Special Events Permit. This is a "new" temporary use. The language permits food trucks to operate in any zoning district on private property, as long as the vendor and property owner are "registered" with the City. Registration is required annually. This change will necessitate the Building Department to develop a registration and application process.

- b. Temporary uses that will be reviewed and allowed by the Building Official, without any type of “permit.” All of these uses are currently allowed. However, the language was modified to clarify that the Building Official oversees these types of temporary uses. Uses in this category include: portable on-demand storage structures, and dumpster roll-off containers.
- c. Temporary uses that will require a “permit,” which is reviewed and approved by the Building Official. This change also requires the Building Department to develop a permit application and process. The temporary uses that require a permit include:
 - i. Temporary construction building or office (currently allowed)
 - ii. Emergency temporary residence (currently allowed)
 - iii. Seasonal sales of perishable items by non-profit entities on private property (new temporary use)
 - iv. Temporary outdoor special events held on private property where the general public is invited (new temporary use)

All other types of temporary uses will be reviewed by the Board of Zoning Appeals, as is currently required. The Planning Commission is recommending approval of the proposed text amendment. Communication from the Planning Consultant and the proposed ordinance amendment was provided for City Council review.

City Council Comments: As the registration process has not been developed, Council requested more detailed information that outlined the registration process for both food trucks and the property owner. Council also questioned if the food truck needed to be paired with a specific business, or could the food truck annually register and then show up at places when they wanted to, without being paired with a specific business. City Council requested these matters be determined before second reading. To allow additional time to work out these details, it was suggested second reading be moved to August 20, 2018.

Motion Ekong, seconded by Price to introduce for first reading the proposed amendments to Article 18 General Provisions, Article 25 Board of Zoning Appeals, and Article 26 Construction of Language and Definitions, pertaining to temporary uses as presented, with second reading and possible adoption scheduled for August 20, 2018. **Motion carried unanimously.**

B. Zoning Ordinance Amendment / Article 21 Electronic Changeable Copy Signs First Reading

On June 5, 2018, the City of Northville Planning Commission conducted a public hearing on the proposed text amendments to Article 21 Signs in the City of Northville Zoning Ordinance.

The proposed change pertains to electronic changeable copy signs, to define an electronic changeable copy sign, and prohibits any new such type of sign throughout the City. The Planning Commission made this decision on the belief that electronic changeable copy signs did not reflect the historic character of Northville. Any existing electronic changeable copy signs are grandfathered, and may continue. Other miscellaneous changes were made to the ordinance for clarity.

The Planning Commission is recommending approval of the proposed text amendment. Communication from the Planning Consultant and the proposed ordinance amendment was provided for City Council review.

Motion Price, seconded by Giesa to introduce for first reading the proposed amendments to Article 21 Signs, pertaining to electronic changeable copy signs as presented, with second reading and possible adoption scheduled for August 20, 2018. **Motion carried unanimously.**

NEW BUSINESS

A. Request to Establish a New Small Wine Maker License /New Beer and Wine Tasting Permit 426 S. Main Street

Sam Delli, property owner of 426 S. Main Street, is requesting approval from the Michigan Liquor Control Commission (MLCC) and the City to obtain a new Small Wine Maker license with a new Wine Tasting permit at the S. Main Street location. Delli plans to offer wine tasting, wine making, and the sale of wine for off-premise consumption. Delli's license name is SRD Vines, Inc., doing business as The Wine House.

The Plan of Operation indicates wine will be manufactured for on-premise tasting and for off-premise consumption. There will be a wine cellar in the basement of the business, where wine will be stored and small parties will be held, with no more than 15 patrons. This is a café-style business where customers can walk in, sit down, and taste wine while having use of the internet. Business hours are 9:00a.m. to 11:00p.m., Monday through Saturday. The business will not have a full-service kitchen, but will occasionally cater in hors d'oeuvres and small plate food. There are 22 parking spaces. There are currently two other Small Wine Maker licenses in the City: Vine 2 Wine, 446 S. Main Street, and Northville Winery and Brewing Company, 714 Baseline Rd.

Recently it was discovered that the Small Wine Maker license does not fall within the City's Liquor Management Ordinance. Therefore, the City's Liquor License Review Committee approval is not required. However, local government approval is required before the request is reviewed by the MLCC. Staff will investigate amending the Liquor Management Ordinance so it would apply to any licensee requesting on-premise service.

A background check was conducted and nothing was found to prohibit Mr. Delli's request. Subject to final inspections and code compliance, Staff finds no reason to object to the approval of this request.

City Council Comments: In response to questions from Council, the applicant explained that opening at 9:00a.m. is for the wine-making process, and to offer classes. No wine tastings will be done at 9:00a.m. Wine tasting will be for wine made at this location.

Mark Zucker, owner of Vine 2 Wine, 446 S. Main Street, addressed Council, noting Vine 2 Wine has been in business 18 years. This new business is located two doors from his business. His business is his livelihood and he is concerned with the same type of business being located so close to his business. Zucker's business has attracted people from all over Michigan. When wine tastings are finished, Zucker also encourages people to stay and eat in downtown Northville. Except for the internet, these are the same type of business to the consumer. Zucker was concerned that the close proximity would negatively impact his business.

In response to a question from Council, Staff explained that the role of the local government is to determine the applicant's suitability to hold a liquor license. City Council appreciated Zucker's comments and concerns. However, the City is not in the position to determine if another wine making business can operate in the City. For over 20 years, two bicycle stores have successfully operated across the street from each other. This is the nature of capitalism.

Motion Ekong, seconded by Price to approve the resolution to establish a new Small Wine Maker License with a New Beer and Wine Tasting Permit by SRD Vines, Inc., d/b/a The Wine House, to be located at 426 S. Main Street. **Motion carried unanimously.**

**B. Investment Manager and Custodial Services
Robinson Capital Management, L.L.C.**

In November 2017, a special City Council study session was held specifically to discuss the City's current investment strategy. In response to that study session, in May 2018, Staff issued a Request for Proposal for investment management and custodial services. Seven responses were received, and five of those firms were eliminated due to either having no Michigan municipal clients or they noted SEC violations.

The two top firms were Robinson Capital Management and PFM Asset Management, the City's current investment manager. Both Robinson Capital and PFM have the same fee of 15 bps (basis points) of the assets under management. However, PFM has a minimum fee of \$15,000 per year which means that if the assets under management fall below \$10 million per year, the fee is actually higher than the 15 bps.

The City has approximately \$12 million in surplus cash currently invested. However, Staff is considering moving some of the funds into other local government investment pools. Therefore, Staff recommended that the investment management services be awarded to Robinson Capital Management LLC. Robinson Capital is an expert in the public funds management area in Michigan. They currently have \$650 million in assets under management. Of that \$320 million is composed of 13 Michigan municipality accounts. The Chief Investment Officer, Greg Prost, has 31 years of experience in this field. He was also the CIO at Ambassador Capital Management, the City's investment manager from 2005 through 2014.

Currently, Fifth Third Bank is the custodian of the City's investments. If the City switches to Huntington Bank, the custodial fees are included in Robinson Capital's fees. All paperwork related to establishing a relationship with Huntington Bank is expected this week and will be subject to review by the City Attorney.

The Investment Management Agreement was reviewed by the City Attorney and the City's insurer, MMRMA, and found to be acceptable. It was noted that Robinson Capital only has \$2.5 million of professional liability coverage, not \$5M as originally recommended by MMRMA. Provided the City Manager and City Council agreed, MMRMA stated the lower amount would be acceptable since the custodian holds the investments, not Robinson Capital.

Greg Prost and Tal Gunn from Robinson Capital were in attendance and provided an overview of Robinson Capital Management's background, staff, fixed income styles, and their investment process and philosophy.

City Council Comments: Discussion and further explanation ensued between Council and Robinson Capital regarding their investment philosophy, their proprietary research on all risk holdings, short-term bond and CD investment strategies, current yields, and liquidity management and cash flow analysis. Robinson Capital also explained their investment strategy will be tailored specifically for Northville.

Motion Ekong, seconded by Price, to authorize the Finance Director to sign the agreement establishing Robinson Capital Management LLC as the City's investment manager. Further, subject to City Attorney review, Huntington Bank is authorized as the City's custodian of invested capital. **Motion carried unanimously.**

C. Michigan Class Local Government Investment Pool Participation Michigan Class

In order to further diversify the City's portfolio and to optimize earnings, Staff recommended establishing an account with Michigan Class. Information on this local government investment pool was provided for City Council's review. The State Constitution and the Urban Cooperation Act allowed the creation of this legal entity. It complies with all statutory requirements of PA 20 of 1943 which outlines which type of instruments the City can invest in.

Feedback from several other communities that participate in Michigan Class found those communities are satisfied with the service and performance. The required Authorizing Resolution and Participation Agreement was reviewed by the City Attorney and found to be acceptable.

Funds of \$1 million will be deposited into the account once it has been opened. Pool participants are charged an annual management fee of 0.13%, which is deducted from the earnings prior to distribution to participants. The average monthly yields were provided to City Council for review.

City Council Comments: Responding to questions from City Council, Staff explained that the plan is for surplus cash not currently invested be moved over to Michigan Class. There is no minimum amount required to open the account. Also, the liquidity of Michigan Class is same day. It was noted that the Finance Director is still having difficulty in resolving the issue of being in two counties, which has delayed the City's participation with Oakland County's investment pool. As such, Council concurred that the Finance Director could stop trying to resolve this matter, and instead invest through Michigan Class investment pool. Participating in Oakland County's investment pool could be revisited in the future if Oakland County determines that Northville City is indeed in Oakland County.

Motion Price, seconded by Giesa to adopt the Authorizing Resolution to allow participation in Michigan Class for investment purposes. **Motion carried unanimously.**

D. Extension of Option to Purchase THEcady Project

In June 2016, THEcady Project and the City agreed to grant an option to purchase the westerly 24 feet of the City parking lot on the south side Cady Street, east of Center Street, to be used as part of a mixed-use development on that property. That option agreement stipulated that the option would expire in two years if not extended by City Council.

THEcady Project has made the following progress since the approval of the original option agreement:

1. Site Plan Approval was granted by the Planning Commission on November 7, 2017.
2. Historic District Commission Approval was granted on November 17, 2017.
3. City of Northville approved engineering plans on January 3, 2018.
4. THEcady Project has continued its planning, financing and marketing plans over the last several months.

THEcady Project is requesting a six-month extension to their option agreement in order to continue progress toward the development of their mixed use project.

City Council Comments: A comment from City Council questioned whether the project would be able to guarantee meeting the six-month deadline without needing to request another extension.

Andrew Daily of THEcady Project, LLC, explained that, while there is no guarantee, there is no reason to believe the six-month deadline would not be met. The project required some restructuring to accomplish fulfilling the necessary approvals from the Historic District Commission, Planning Commission, and Building Department. Daily has been engaged in this process for five years. During that time, THEcady Project addressed many issues, of which some were beneficial to both parties. Items addressed included Cady Street alignment at S. Center Street, parking issues, stormwater management, building height and grade from Main Street to the Rouge River, and the requirement that this project be self-parked. Resolving these matters took time.

Motion Ekong, seconded by Price to direct City Council's real estate attorney to draft a second amendment to THEcady Project, LLC's option to purchase the City parking lot land on Cady Street, to extend the option agreement by six months, and authorize the City Manager to execute the agreement on behalf of the City. **Motion carried unanimously.**

The Mayor noted that as City Council did not have the agreement before them this evening, City Council's vote is to ratify the agreement to extend the six-month period, effective as of the vote.

E. Option to Purchase Cady Street Parking Lot Property

Hunter Pasteur Homes (HPH) holds an option on the Northville Downs Property and has expressed a desire to purchase the City's property, currently used as a surface parking lot, on the south side of Cady Street, east of Center Street. Both the City and HPH would like to see the City's property, about .75 acres, redeveloped as part of a comprehensive plan for Cady Street.

Through discussions with the City's real estate attorney and HPH, an option agreement was developed, which contains the following provisions:

1. The City property and the Downs property will be developed as a Planned Unit Development (PUD), whereby the Planning Commission and City Council must approve the PUD prior to closing.
2. The purchase price will be \$422,917.
3. HPH will, as part of the PUD, replace the 92 parking spaces currently available on the City property with at least 92 public parking spaces located within 600 feet.
4. The City has the option of retaining up to 12 feet of right-of-way on the north edge of the property for potential widening of Cady Street.
5. Should the previous option, granted to the Cady Project, for the westerly 24 feet of the parking lot expire, HPH has the option of purchasing that land as well at a prorated price.
6. The option will expire if construction fails to commence within three years of closing.

City Council was provided with a revised Option to Purchase. HPH requested the following revisions, which were reviewed with the City's real estate attorney as follows:

- Section 4: Requirement to notify HPH within 20 days of the time the agreement is executed, if the City opts to retain the 12 feet of additional right-of-way on E. Cady Street.
- Section 14 (page 7): Previous language stated that HPH could not assign anyone's interest without the City's consent. HPH requested to modify the language to allow them to assign rights to any portion of the property within the development without the consent of the City. It was explained that the developer plans to bring in other partners to do the building. To do this, they need to assign their rights under this option to the other partners who would come in and develop different portions of the property.

The City Manager and the City’s real estate attorney did not object to the proposed changes and recommended City Council approve the revised option agreement.

City Council Comments: Comments from City Council reinforced the benefit of selling this property. While the parking lot is valuable for overflow parking, especially on Fridays and during special events, the developer is required to replace the 92 parking spaces within 600 feet of this property.

City Council questioned the agreement language, which states that the 92 parking spaces are to be replaced with 92 “non-exclusive” parking spaces. The City Manager was directed to discuss this language with the City’s real estate attorney to ensure that what is written down is in fact expressing what was agreed to by City Council. The 92 parking spaces are being replaced with 92 parking spaces within 600 feet of this property. These 92 parking spaces are in addition to parking spaces to be created for anything that is built. The new buildings will be required to have their own parking. City Council does not want the 92 parking spaces to be double-counted.

Comments from Council also noted that this purchase option puts the City in a position to get a unified development for this Cady Street frontage, instead of the City holding on to the parcel, and attempting to solicit proposal requests for this small lot. The purchase option is a better opportunity for continuity. In addition, the PUD process allows the City to get a project that is an asset and of benefit to the City. It is not a quick return of investment to the developer.

Motion Price, seconded by Giesa to approve the Option to Purchase the Cady Street Parking Lot Property with Hunter Pasteur Northville, LLC, and authorize the City Manager to sign the agreement on behalf of the City, with the clarification that the 92 public parking spaces to be added, as referenced in paragraph 3, would be in addition to any parking spaces required by the development of the new buildings on the property. **Motion carried unanimously.**

MAYOR AND COUNCIL COMMUNICATIONS

A. Mayor and Council Communications None

B. Staff Communications None

Being no further business, the meeting was adjourned.

Adjournment: 8:40p.m.

Dianne Massa, CMC
City Clerk

Ken Roth
Mayor

Approved as submitted: 8/6/18