

**ISHPEMING CITY COUNCIL SPECIAL MEETING**  
**Wednesday, July 25, 2018 at 10:00 a.m.**  
**Ishpeming City Hall, 100 E. Division Street, Ishpeming, MI 49849**  
**City Hall Telephone Number: 906-485-1091**

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Meeting Called to Order

Roll Call

Agenda Comment

AGENDA ITEMS

1. 2017 Audit Presentation
2. MERS Discussion
3. Finalize 2019 Capital Improvement Projects and Goals
4. Discussion of Malton Road Development
5. City of Escanaba Request – Dark Store
6. Report on progress of Division Street Property
7. PK Contracting Quote for Pavement Marking
8. Additional Water Project Work on Pearl Street



Mark Slown  
City Manager

Memo

To: City Council Members

July 19, 2018

Subject: City Goals for 2019

At the City Council meeting of June 13, 2018, Council members articulated their individual goals, as reflected in the meeting minutes (attached).

The purpose of this memo is to clarify the direction to staff to formulate the 2019 City Budget.

I've taken the liberty to attempt to consolidate the consensus of the Council Member goals as follows:

Goals for 2019 (not in priority order)

1. Plan additional street paving repair projects, including Third Street as funding allows
2. Continue to investigate development/sale of Malton Road/Hematite Heights and other city owned land
3. Ensure center lines and parking spaces are painted on City streets (priority on Major Streets)
4. Continue vigorous code enforcement (rental, blight, ordinance, etc.)
5. Seek improved ways to communicate with the public regarding City business
6. Seek additional grants to pay for infrastructure improvements
7. Develop and implement a plan to resolve the unfunded liability in the MERS pension plan
8. Seek a method to remove the Windmill at the High Rise from City property
9. Repair damaged sidewalks wherever possible
10. Continue existing City services and programs to the best of the staff's ability

I respectfully request Council approve this summarization of City goals by resolution of Council.

Mark Slown, CM

The Special Meeting of the Ishpeming City Council was held on Wednesday, June 13, 2018 in the Ishpeming City Hall Conference Room. Mayor Juidici called the meeting to order at 10:00 a.m.

Present: Mayor Juidici, Councilmembers Justin Koski (excused at 10:52 a.m.), Karl Lehmann, Stuart Skauge, and Mike Tonkin (5). Also present was City Manager Mark Slown and City Attorney Bonnie Hoff.

AGENDA COMMENT

Claudia Demarest reserved comment under item #3, Public Hearing for the Royal Pub.

RD WATER IMPROVEMENT PROJECT - UNDERGROUND STORAGE TANK

Attorney Hoff and Mark Stoor from GEI Consultants explained the situation with the orphaned underground storage tanks which were discovered and located on City property. The Department of Environmental Quality was contacted and the proper permits would need to be completed and a licensed contractor hired to remove the tanks. Mr. Stoor advised he would check with Rural Development since the tanks were found during the project the cost should be covered.

A motion was made by Councilman Koski, supported by Mayor Juidici and carried unanimously to authorize the City Manager to file the permit application with the DEQ to keep the process moving for the removal of the tanks.

RESOLUTION 10-2018, MICHIGAN NATURAL RESOURCES TRUST FUND GRANT AGREEMENT

Manager Slown announced the grant agreement for the Lake Bancroft Pavilion project was received and was ready for signature.

A motion was made by Councilman Skauge, supported by Councilman Lehmann and carried unanimously to approve Resolution #10-2018, Michigan Natural Resources Trust Fund Grant Agreement as presented and authorize the Mayor to sign the grant agreement.

PUBLIC HEARING FOR THE ROYAL PUB TO PURCHASE ADJOINING VACANT LOTS

Cathy Smith, Assistant to the City Manager, clarified that the wording on the agenda was incorrect, this was not the public hearing; this item was to further discuss the timeline for the public hearing which was currently scheduled for July 11<sup>th</sup>.

Councilman Lehmann suggested a special event application be completed for the use of the property on the west side of the building and the Royal Pub could then use the property for the Fourth of July. Mr. Austin felt this would be beneficial for his planned events for the ribbon cutting.

A motion was made by Councilman Skauge, supported by Councilman Lehmann and carried unanimously to authorize the City Attorney and the City Manager to create special use permit and pre-approve the special event application for the use of the property and pre-approve the temporary liquor license for the event.

2019 GOALS AND CAPITAL IMPROVEMENT PLAN WORKSHOP

Manager Slown asked for Council's goals and capital improvements priorities for 2019.

Councilman Skauge

- Paving Roads
- Complete Third Street Improvements
- Open Third Street to US -41
- Sell/development of City property (ie. Malton Road)

Councilman Lehmann

- If Wabash Street was ever extended to Malton Road, then sidewalks should be added to make for a safer route.
- Continue forwarded thinking on repairs/maintenance of City buildings/facilities

Councilman Koski

- Maintenance of existing facilities
- Development on Malton Road

Councilman Tonkin

- Repaving of streets
- Painting lines on streets
- Replacement of sidewalks
- Eliminate the windmill
- Continue with Code Enforcement
- Increase ways to communicate with the public

Mayor Juidici

- Continue with infrastructure improvements which would help with repaving of streets
- Look for future grant funding for infrastructure improvements
- MERS Deficit and Unfunded Liability

ADJOURNMENT

At 11:17 a.m., a motion was made by Councilman Lehmann, supported by Mayor Juidici and carried unanimously to adjourn.

Respectfully submitted,



Cathy Smith  
Recording Secretary

## City of Ishpeming

### Capital Improvement Plan (CIP) for 2019 through 2024

**Background:** The City of Ishpeming adopted its first Capital Improvement Plan (CIP) in 2016. The CIP is adopted for a six year period. For the 2019 CIP the period is 2019 to 2024. The requirement for capital planning is found in the Michigan Planning Enabling Act (Public Act 33 of 2008, as amended). Capital investment has two elements: planning and budgeting. The Capital Improvements Plan (CIP) is not to be limited by financial constraints. It should include reasonable projects that the council seeks to obtain. During the budget process, plans are constrained by financial reality. Only a portion of the desired CIP will be included in an annual budget.

An effective and ongoing CIP is beneficial to elected officials, staff, and the general public. Among the benefits from an adopted and well-maintained CIP are:

1. Having a documented list of desired capital projects
2. Facilitate decision making on priorities
3. Create a framework and context for specific project efforts
4. Provide information to assist in decisions making regarding tax levies
5. Providing adequate time for planning and engineering of proposed projects
6. Ensuring the maximum benefit to the community from the monies expended
7. Permitting municipal construction to be coordinated with other construction

Below are general examples of typical capital investments:

- Street Repairs and reconstruction
- Sidewalk repairs
- Utility Infrastructure
- City Buildings
- Public Works Vehicles and specialized equipment
- Fire Trucks
- Park Improvements and Trails
- Computers, software, and other equipment needed to run automated operations
- Security systems
- Police vehicles and equipment

Many factors may go into the selection of and timing for capital expenditures. Listed below are several criteria to consider in the review of potential projects:

1. Required to fill any federal or state judicial administrative requirements
2. Relationship to source and availability of funds
3. Impact on annual operating and maintenance costs
4. Relationship to overall fiscal policy and capabilities
5. Project's readiness for implementation
6. Relationship to overall community needs
7. Relationship to other projects
8. Distribution of projects throughout the community
9. Relationship to other community plans
10. Potential economic benefit, including increases to the tax base

**Most importantly, Ishpeming's CIP should reflect a consensus of the elected officials.**

THE FOLLOWING CODES INDICATE THE SOURCE OF FUNDING FOR THE POSSIBLE PROJECTS

BRA – Brownfield Redevelopment Authority  
DDA – Downtown Development Authority  
DO – Donations  
DNR – Department of Natural Resources Grant  
EF – Equipment Fund (new in 2018)  
FG – Federal Grant  
GF – General Fund  
GO – General Obligation Bonds  
LB – Land Bank  
LF – Library Fund  
LS – Local Street Fund  
LG – Local Grant  
MS – Major Street Fund  
LS – Local Street Fund  
PD – Private Developer  
PIF – Public Improvement Fund  
SA – Special Assessment  
SF – Sewer Fund  
SG – State Grant  
SM – Special Millage  
UTB – Unlimited Tax Bonds  
USB -- USDA-RD Bonds

July 18, 2018

WF – Water Fund

## City of Ishpeming

2019-2024 Fiscal Year

### CAPITAL IMPROVEMENT PLAN – EXECUTIVE SUMMARY

2019 Fiscal Year		
Project	Cost	Funding Source
Lake Bancroft Area Project	\$650,000	DO, DNR, DDA
Third Street Upgrade (cont.)	\$250,000	MS/PIF
Sewer Lift Station	\$500,000	SF, USDA
DPW Vehicle Purchases	\$250,000	PIF, EF
Police Vehicle	\$50,000	PIF
MERS Unfunded Liability	\$150,000	GF/WF/SF

2020 Fiscal Year		
Project	Cost	Funding Source
Tennis Court and Trail Project	\$425,000	DO, DNR
Police Vehicle	\$50,000	FG, USB, PIF
LED Street Light Upgrade	\$200,000	USDA, PIF, DDA
DPW Vehicle Purchases	\$250,000	USB, ERF

2021 Fiscal Year		
Project	Cost	Funding Source
Police Vehicle	\$50,000	PIF/GF
DPW Vehicle Purchases	\$250,000	USB, ERF
Downtown Park	\$100,000	DNR, DO, GF

2022 Fiscal Year		
Project	Cost	Funding Source
Third Street Upgrade (Cont.)	\$250,000	SG, MS
Demolition	\$100,000	PIF
DPW Vehicle Purchases	\$250,000	USB, ERF

2023 Fiscal Year		
Project	Cost	Funding Source
Fire Truck	\$750,000	USB, PIF, GF
Police Vehicle	\$50,000	PIF/GF
DPW Vehicle Purchases	\$250,000	USB, ERF

2024 Fiscal Year		
Project	Cost	Funding Source
New Storage for DPW	\$300,000	USB, ERF
Demolition	\$100,000	LB, DO, GF
DPW Vehicle Purchase	\$250,000	USB, ERF

## Malton Road Development Proposal – 2018

This issue was one of the items discussed at the joint meeting with the Ishpeming City Council, Downtown Development Authority and Planning Commission. At their next regular meeting on June 4<sup>th</sup>, Planning Commissioners discussed the basic tenets to differentiate this proposal from the 2015 Hematite Heights Phase 1 concept (attached for reference).

The proposal was to be sent to local contractors and developers to solicit their response. Commissioners encouraged the Council to distribute to potential respondents outside the immediate area and include the Upper Peninsula, Northern Wisconsin and Lower Michigan. The background for the 2018 proposal was to utilize the current Zoning Map without any topographic information which would allow respondents to obtain their own elevation data and analysis. The development area was to be expanded to provide more opportunity for capitalization and return on utility investments and to encourage flexibility for respondents. Notes were to be added generalizing the proximity of existing Water and Sanitary utilities along with the potential for zoning district revisions. Presently, the Deferred Development District could support limited commercial usage based upon Conditional Use application and approval. Contact information for respondents seeking further information was to be included.

Commissioners felt it was the proper prerogative of the Council to establish potential financial terms, timeframes, distribution and phasing for the solicitation. Commissioners also had mixed opinions regarding any Municipal statement addressing the status of the applicability of Phase One or Phase Two Environmental status. This tract of land was purchased as is from Cleveland Cliffs with the City of Ishpeming assuming responsibility for the environmental condition.

As in 2015, the Ishpeming Planning Commission has completed the task delegated by the Council and provided their part of the development process for Hematite Heights. The next steps in preparation and disseminating the Malton Road Development Proposal involve financial aspects and policy decisions that are best addressed by elected officials.



Alan K. Pierce, Zoning Administrator

JUL 03 2018

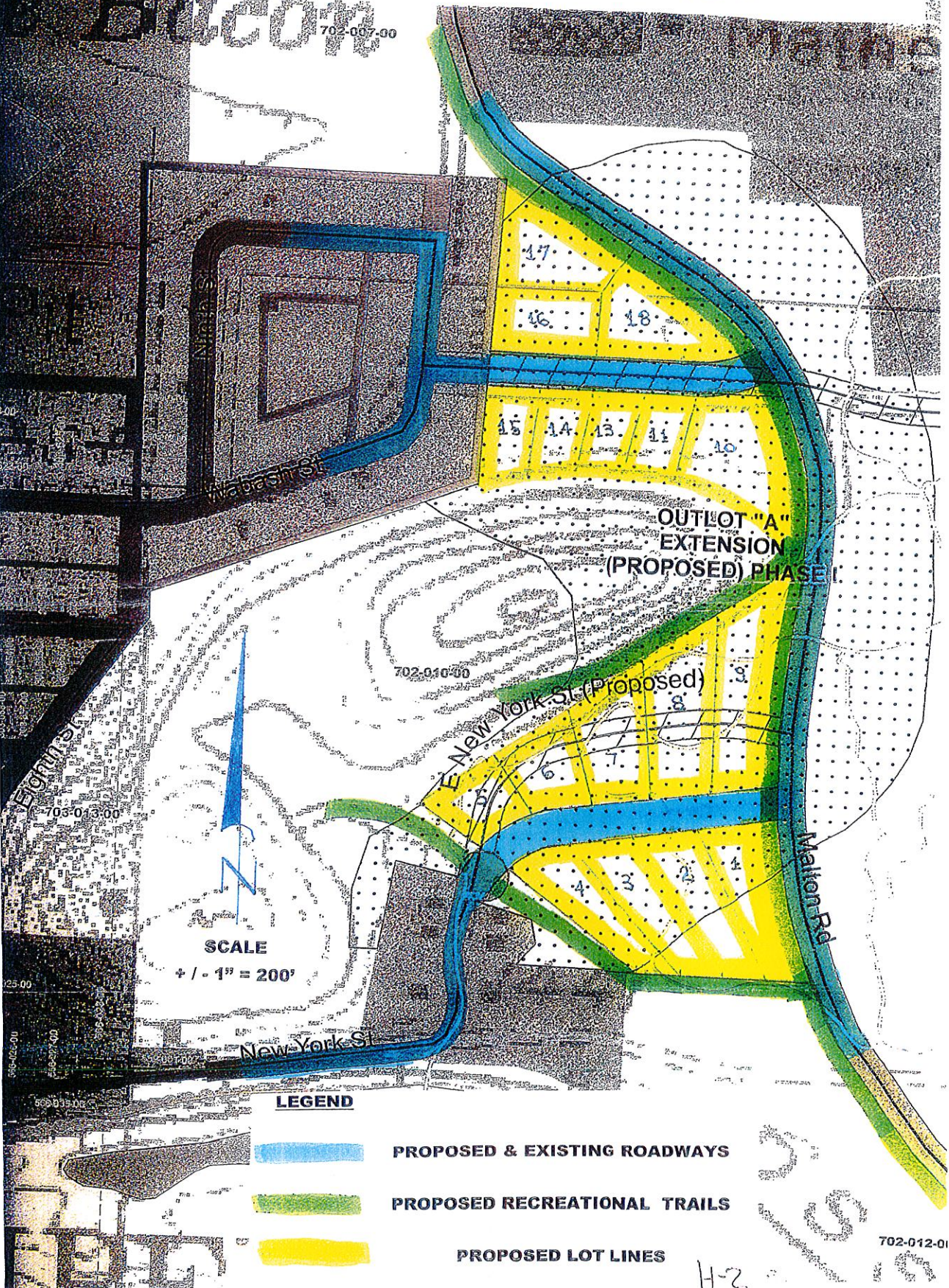


702-007-00

# PROPOSED HEMATITE HEIGHTS PHASE I

MARCH 24, 2015

Bacon 702-007-00



## LEGEND



PROPOSED & EXISTING ROADWAYS



PROPOSED RECREATIONAL TRAILS



PROPOSED LOT LINES



# DEVELOPMENT PROPOSAL

## CONTACT INFORMATION:

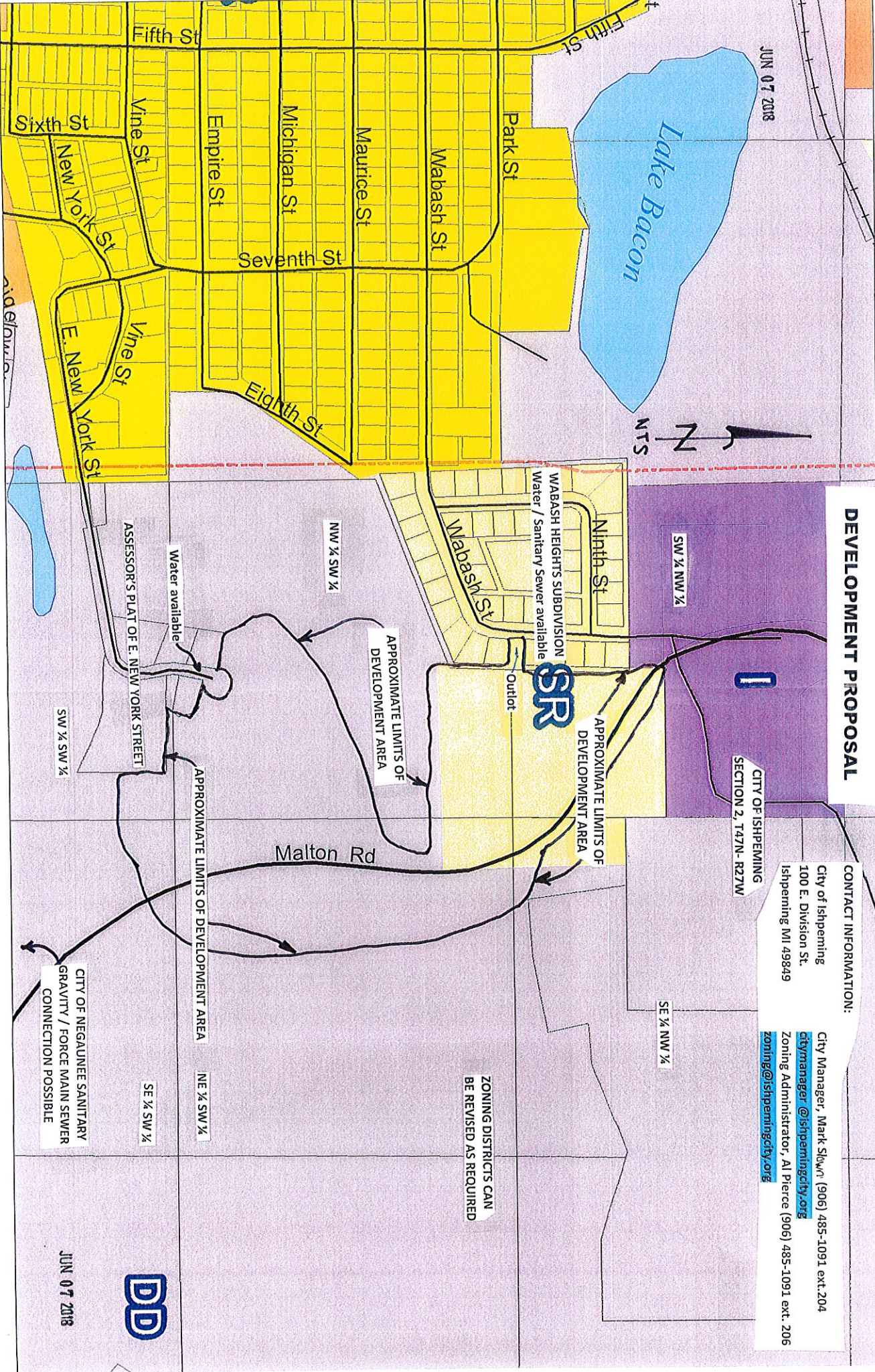
City of Ishpeming  
100 E. Division St.  
Ishpeming MI 49849

City Manager, Mark Skown (906) 485-1091 ext.204  
[citymanager@ishpemingcity.org](mailto:citymanager@ishpemingcity.org)  
Zoning Administrator, Al Pierce (906) 485-1091 ext. 206  
[zoning@ishpemingcity.org](mailto:zoning@ishpemingcity.org)

JUN 07 2018



Lake Bacon







June 29, 2018

Dear Michigan Municipal Leaders:

Two months ago, I requested that you join the City of Escanaba's fight to permanently change the State of Michigan's acceptance of the "Dark Store Theory."

The Court of Appeals' decision *Menard Inc. v City of Escanaba*, 315 Mich App 512 (2016), questioned the Tax Tribunal's adoption of the "dark store theory," which reduces the assessed values of "big box" stores in Michigan far below any assessed values elsewhere in the in the United States or Canada. Indeed, the City of Escanaba's current assessment is within the range of *settlements* that Menard is reaching in other states.

Although the Court of Appeals reversed the Tribunal's *Menard* decision, the Court asked the Tribunal to provide a thorough analysis of the market dynamics underlying the "dark store theory," which the parties may establish using studies, valuation reports, and a nearly unlimited assembly of data and testimony. Recognizing the importance of this case, the Tribunal designated *three* Tribunal members (judges) to hear the evidence and determine, once and for all, the treatment of big box appeals in Michigan. The hearing is an opportunity that will likely never reoccur for any local unit litigating against a big box or similar property.

National retailers have been waiting and preparing for the *Menard* remand hearing due to its long-term implications. We are aware of one retailer study that analyzed over 200 sales of big box stores nationwide to demonstrate that deed-restrictions do not affect the sale price. Responding to that study (and likely others like it) will require access to expensive databases and significant expert research and analysis. Escanaba is aware that it cannot simply "show up" for this critical hearing. It must provide what the Tribunal and the Court of Appeals are looking for: a comprehensive study of the Dark Store Theory. Because of this, the issues on remand far exceed the scope and detail of a typical valuation disclosure in a Tribunal case. The City appreciates that it is fighting on behalf of all other taxing units in the state.

The Michigan Department of Treasury recognizes the magnitude of the work involved and has agreed to share some of the City's expenses for expert work; however, the State's assistance is less than half of the anticipated expert witness expenses. Townships, cities, and two counties have also contributed to the City's expenses, and the City is encouraged by their support. But the potential costs are daunting and may eclipse funding sources. The City estimates that it will need to raise \$200,000 from sources outside the City to ensure that the City and its local cost-sharing units can cover litigation through the conclusion of the hearing. To date, the City has received \$30,000 in assistance from other local units. The City will need additional funds quickly because extensive evidence must be compiled and submitted to the Tribunal in early August.

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**Mission Statement:**



Enhancing the enjoyment and livability of our community by providing quality municipal services to our citizens.  
*The City of Escanaba is an equal opportunity employer and provider.*

Rest assured, local units are authorized to support litigation of statewide significance, even if the local unit is not a party. See MCL 211.43; *Hess v. Cannon and Grattan Townships*, 265 Mich. App. 582, 696 N.W.2d 742 (2005). Alternatively, local units can make a donation to the legal defense funds of the MTA or the MML, or directly to MAC. These groups have agreed to collect and remit the contributions to aid in fighting the *Menard* case. The City has agreed not to spend those contributions until it has received enough funding to wage the fight. If the funds collected exceed the City's costs, the City will refund the excess pro-rata to those local units that joined this fight.

As the *Menard* case proceeds, the City may be approached with settlement offers from the taxpayer. The City is mindful that if it were to settle, all local units in this state would lose a unique opportunity to end the dark store war once and for all. Other local units would then be forced to litigate the meaning of the *Menard* decision without the benefit of precedent in *the Tribunal* that the forthcoming remand hearing could have established. **Because of the impact of a settlement on other local units, the City will refund all contributions if it settles the case.**

This fight is a fight for all local units and not Escanaba's fight alone, as no single local unit can afford the challenge alone. The MTA, MML and MAC are pleased to support the local units' position in this matter and have been actively engaged in seeking support, answering questions, working with the State, and assisting with the unique legal issues that this important case presents. Feel free to contact us or those organizations if you have questions.

Sincerely,

A handwritten signature in blue ink that reads "Patrick Jordan". The signature is fluid and cursive, with the first name "Patrick" and last name "Jordan" clearly distinguishable.

Patrick S. Jordan  
City Manager, City of Escanaba  
(906) 786-9402



**MAIN OFFICE**  
1965 Barrett Drive  
Troy, MI 48064-5372  
PHONE 248-362-2130  
FAX 248-362-4969

<b>To:</b> _ESTIMATING DEPARTMENT_		<b>Contact:</b> ESTIMATING DEPT.
<b>Address:</b> -		<b>Phone:</b> (248) 362-2130
		<b>Fax:</b> (248) 362-4969
<b>Project Name:</b> ISHPEMING RETRACE		<b>Bid Number:</b> 18-1080
<b>Project Location:</b> ISHPEMING		<b>Bid Date:</b> 7/16/2018

Line #	Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
1	8110232	Pavt Mrkg, Waterborne, 4 Inch, Yellow	37,170.00	LF	\$0.130	\$4,832.10

**Total Bid Price: \$4,832.10**

**Notes:**

- QUOTE IS BASED ON ONE MOVE-IN FOR FINAL MARKINGS.
- PAYMENT TO BE MADE BASED ON QUOTED UNIT PRICES.

<b>ACCEPTED:</b> The above prices, specifications and conditions are satisfactory and are hereby accepted.  <b>Buyer:</b> _____ <b>Signature:</b> _____ <b>Date of Acceptance:</b> _____	<b>CONFIRMED:</b> <b>PK CONTRACTING, INC.</b>  <b>Authorized Signature:</b> _____ <b>Estimator:</b> _____
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**Third St** from Bessemer to Pearl  
**Empire St** from Third to Lake Shore  
**Washington** from Lake Shore to Greenwood  
**Greenwood** from Lake Shore to Steel  
**First St** from Hematite to Empire  
**Hematite** from Lake Shore to Empire  
**Lake St** from Johnson to Hematite  
**Pearl St** from Lake to Main  
**S. Pine St** from Division to Washington  
**Main St** from Bluff to Euclid

Please let me know if you need anything else from me in order to give us an estimate that we can present to the council for approval.

Thanks,

April Holm



***DPW Office Manager***

City of Ishpeming, 100 E. Division St., Ishpeming, MI 49849

DPW: (906) 486-9371 or 485-1091 x. 134 • Fax: (906) 486-9551

[www.ishpemingcity.org](http://www.ishpemingcity.org)

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Washington, DC 20250-9410*

*Or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.*



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## Cathy Smith

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**From:** Stoor, Mark <mstoor@geiconsultants.com>  
**Sent:** Friday, July 20, 2018 7:08 AM  
**To:** City Manager  
**Cc:** Cathy Smith; Fabbri, Brian; DPW Director  
**Subject:** FW: Sidewalk  
**Attachments:** KIMG4069.jpg

Hi Mark,

Per the walkthrough of Pearl Street, between 2<sup>nd</sup> and 4<sup>th</sup> Streets, there is one area of Sidewalk/Driveway (82 feet) that would be outside the influence of the project that the City identified for replacement. (See attached picture)

After reviewing quantities and estimates, the total cost of this work would be **\$4500**. This would be on Contract III, the City funded portion of the project.

If you have any questions, please contact me. Otherwise, Brian will be at Wednesday's meeting to answer any questions.

Thank you,

Mark

**Mark F. Stoor, P.E.**  
Senior Project Engineer



**GEI Consultants**  
Consulting Engineers & Scientists

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**From:** Stoor, Mark  
**Sent:** Friday, July 20, 2018 6:57 AM  
**To:** Stoor, Mark <mstoor@geiconsultants.com>  
**Subject:** Sidewalk

**Mark F. Stoor, P.E.**  
Senior Project Engineer



