MINUTES FROM THE PRE-MEETING
OF THE PORTAGE CITY COUNCIL
OF AUGUST 5, 2019

Mayor Patricia Randall called the meeting to order at 8:00 a.m. Councilmembers Lori Knapp, Chris Burns and Mayor Pro Tem Jim Pearson joined via the conference phone line. Councilmembers Richard Ford, Claudette Reid and Terry Urban were absent with excuse. Also in attendance were City Manager Larry Shaffer, Deputy City Manager Rob Boulis and City Clerk Adam Herringa.

With regard to Item A.2, Accounts Payable Register for August 6, 2019, Mayor Pro Tem Pearson asked for clarification on Check No. 310547 to the Michigan Municipal League. Deputy City Manager Boulis shared that it was for a classified ad of the City Manager job posting. Councilmember Burns asked for clarification on Check No. 11535 to Warner, Norcross & Judd for "defined benefit restatement." Mr. Boulis shared that it was for a periodic refiling of the City of Portage defined benefit pension plan with the Internal Revenue Service.

With regard to Item A.3, Portage Community Center Funding Request, Councilmember Knapp inquired if such a funding request had been previously made by the Portage Community Center (PCC) or other organization. Mr. Shaffer stated that he would confirm but understood this to be the first time. Councilmember Knapp next inquired as to the total amount in the Community Development Block Grant (CDBG) Program. She continued by pointing out that PCC originally asked for $170,000 but the recommended funding amount is $150,000. She asked what would be compromised should the full amount be awarded. Next, Councilmember Knapp pointed to a provision in the proposed agreement that PCC not receive greater than 30% of funding from the City of Portage. She inquired how the PCC could be held accountable should the City of Portage elect to give funds in excess of 30%.

Mayor Pro Tem Pearson inquired if PCC engaged in a capital campaign to raise the requested funds prior to coming to the City of Portage. City Manager Shaffer stated that PCC may have reached out to a few donors but, to his knowledge, a capital campaign was not utilized. Mayor Pro Tem Pearson pointed out that several years ago City Council made an effort to cut back on city funding and encourage PCC to engage in greater fundraising efforts. He expressed hope that this new request is not indicative of PCC reverting to the city for additional resources. Mr. Shaffer shared that the PCC recently lost their major building tenant which has hurt them financially. Mr. Pearson inquired if this was a one-time request and Mr. Shaffer responded in the affirmative. Mayor Randall shared that last winter she met with members of the PCC Board of Directors and that a lengthy list of facility improvements was shared. She shared that she walked the building and that the condition of the parking lot was not raised. Mayor Randall inquired as to how the CDBG funds will be replenished should City Council approve the request. Mr. Shaffer shared that the fund is replenished over time as homes sell that were rehabbed via CDBG funds or part of the home loan program. Mayor Randall next inquired as to the rationale for relocating the drive. Mayor Pro Tem Pearson stated that issues such as ensuring an adequate and sufficient HVAC system would seem to be a higher priority than a parking lot. He continued by noting that PCC seems to be focusing on cosmetic items rather than internal facility improvements. He questioned why the change in focus.

With regard to Item A.5, Termination of Centre Port Commons Brownfield, Mayor Randall stated that it looks like Treystar will be building a Bronson facility and shared that it was her understanding that hospital facilities could not be taxed. Mr. Shaffer stated that property taxes will be levied because Treystar (or affiliated entity) will own the property.

With regard to Item A.6, Brownfield Redevelopment Plan Amendment No. 7, 6666 Lovers Lane, Councilmember Knapp noted that the City Manager report references a forthcoming revision to the draft agreement which involves the ability to appeal property taxes. She pointed out that the draft agreement asks the property owner to waive their right to appeal and asked that the revised language be provided to City Council. Mayor Randall shared that she has spoken with Mr. Joe Agostinelli of Southwest Michigan First who informed her that the City of Portage is taking on this brownfield itself instead of the County. She asked if this is a new or different process and why the language in the Portage brownfield contract is different than that used by the County. Mr. Shaffer responded by stating that city administration wants to develop its own brownfield funds that can be used primarily for brownfield evaluations/studies. He continued by stating that brownfield funds need to be stable and it should be difficult for entities receiving recompense for expenses from brownfield funds to then turn around and appeal their taxes. Mr. Shaffer continued by stating that Mr. Agostinelli takes exception to this position but that an opportunity to appeal will be included in the final contract. Mayor Randall inquired if this is the first brownfield the city has taken on. Mr. Shaffer responded in the negative. Mayor Randall asked for the exact number and wondered why this project is being handled by the City while a recent brownfield involving Stryker was managed by the County. She continued by wondering whether the city could restrict anyone from appealing their tax assessment. Mr. Shaffer responded by noting that an applicant is asking for something from the city, in this instance recompense for cleaning up their property. In exchange, Mr. Shaffer stated, the city needs a stable tax base from which to be able to reimburse.

Mayor Pro Tem Pearson inquired if City Council is being asked to approve the item or have an initial reading. Mr. Shaffer stated that City Council is being asked to set a public hearing. Mr. Pearson asked the city to provide a bullet point differentiation between the city and county brownfield contract language. Councilmember Knapp inquired as to the training and expertise necessary to negotiate and develop brownfield agreements. Mr. Shaffer stated that the city has not engaged in significant brownfield developments due to a limited number of brownfields in the city. Mayor Pro Tem Pearson asked if staff investigated hiring a consultant in this instance. Mr. Shaffer responded by stating that this project is simple, the nature of contamination is not complicated and costs are easy to calculate.

With regard to Item D.1, Rezoning Application #18/19-6, Mayor Randall inquired as to recent contact with the applicant. Mr. Shaffer shared that two meetings have occurred since the last City Council Meeting and a third meeting is planned for today. He shared that Community Development Director Vicki Georgeau has provided a variety of options related to developing this property aside from rezoning. Mr. Shaffer noted that the applicant, Mr. Jay Sharma, is asking the city to repudiate a unanimous vote of the Planning Commission. Mayor

Pro Tem Pearson inquired if part of the commercial building were to be torn down, whether the property could be utilized as a marihuana facility. Mr. Shaffer responded in the affirmative. Mayor Randall inquired how long the property has been vacant and, should the structure remain as-is, what the building could be used for. Mr. Shaffer stated that the most compelling argument of the applicant is the ambiguity of the line indicated in the Future Land Use Map as it splits the subject property between residential and general business.

ADJOURNMENT: Following a summary of the meeting, Mayor Randall adjourned the meeting at 8:37 a.m.

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Adam Herringa, City Clerk