CITY OF MANISTEE PLANNING COMMISSION WORKSESSION

70 Maple Street, Manistee, MI 49660

January 16, 2014
NOTES

A Worksession of the Manistee City Planning Commission was held on Thursday, January 16, 2014 at 7 pm in the Council Chambers, City Hall, 70 Maple Street, Manistee, Michigan.

Worksession was called to order at 7:04 by Chair Yoder

Roll Call:

Members Present: Maureen Barry, David Crockett, Bill Dean, Ray Fortier, Marlene McBride, Mark Wittlieff, Roger Yoder

Members Absent: None

Others: Denise Blakeslee (Planning & Zoning Administrator), Mitch Deisch (City Manager), Ed Seng (200 River Street), Steve Blank, Kathy Morin (AES), Dr. Bob Mattice, Eric Gustad (1014 Engelmann Street) and others

PENINSULA ZONING:

The Planning Commission in response to correspondence received from Mr. Ed Seng at the January 2, 2014 meeting discussed the Zoning on the Peninsula and the Neighborhood Revitalization Action Plan – Manistee Peninsula.

Staff gave a PowerPoint presentation to the Planning Commission (this is the same presentation that was made to City Council on Tuesday, January 14, 2014). The Planning Commission reviewed the Future Land Use Map, General Industrial, Residential/Commercial Mixed-Use Redevelopment District (Peninsula Area), Waterfront Overlay Districts/Manistee Lake Front Overlay sections of the Future Land Use Portion of the current Master Plan. Staff prepared an aerial photo that showed all of the properties, owners and frontage on Manistee Lake in the General Industrial District and the Consumers property in the Waterfront District where Shipping is a use by right.

Ed Seng spoke to the commission about his desire to reopen his shipping business. The property does not have any value as a development site; the value is to use it as a shipping facility.

Dr. Bob Mattice said the zoning on the Peninsula was incorrect.

Steve Blank spoke to the commission about a steel manufacturing plant that he wants to bring to the area and that having more than one shipping facility in the area makes it more competitive.

City Manager Mitch Deisch spoke to the commission about their function to look at the long term vision for the community; how the location of a facility (be it in the City or adjoining township) is not as important as obtaining jobs; about tax incentives and the development agreement/zoning; the agreement was a three party agreement and need attorney to review for any impacts to the third party (Rieth Riley).

Discussion about having a study that would look at the shipping use/residential use and other uses on the peninsula and the impact of reopening a shipping facility; the impact that more than 5 trucks a day would have on the infrastructure; how more information would be needed.

Kathy Morin from AES said she may have some resources to assist with the process. She spoke of the current $15 million dollar redevelopment project at the Portage Point Inn; the owner may be able to assist in finding a resource to evaluate the development potential of the property. She spoke of the need to do due diligence and to have all the facts before making a determination.

Correspondence was received from former Planning Commissioner now Councilman Eric Gustad relating to the issue (attached).

No action can be taken at a worksession. The worksession was held to inform the Planning Commission about the status of the request. City Council would need to amend the Agreement to allow a shipping facility. The Zoning of the property is moot unless the agreement is amended. Mr. Seng has the right to ask to amend the ordinance at any time.

ADJOURNMENT - The Worksession adjourned at 8:25 pm

MANISTEE PLANNING COMMISSION

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Denise J. Blakeslee, Recording Secretary

Council Members, City Staff, and Concerned Citizens,

I have been doing a lot of research, evaluating, and a significant amount of thinking about the peninsula development agreement. Here are some of my thoughts that I wanted to share with you...

1. The first and most important point I would like to make is I am 100% behind economic growth in our community. Whether that growth is commercial, industrial, agriculture, professional, recreational, hospitality or any other development that allows us to thrive as a community I will support it. However, with that being said I also believe that growth should be well planned, thought out thoroughly, fully explored, and align with our Strategic Goals and Master Plan. There is a reason for Planning and Zoning to exist in communities like ours. It helps prevent decisions that are not well thought out just on the hopes that we might add a few jobs. I know all too well that our community could benefit from a few new jobs but that doesn't mean we should make rash decisions or decisions that could negatively impact the community for many years to come. The Master Plan, Planning and Zoning, and Strategic Goals help us make decisions that balance development opportunities. For instance what could be the impact to other industries if we jump into changing zoning for the peninsula district? What affect will it have on boating, fishing, tourism, infrastructure, traffic, safety, the other residence and businesses on the peninsula? Again I support jobs creation and growth but we owe it to the citizens of this community to make decisions that are in the best interest of the entire community not just a couple of potential business and property owners. We don't want to attract new business at the cost of losing existing business. Now again, I don't want put up road blocks or over regulate to scare businesses away. I want to attract and retain and help grow businesses that have long and enduring sustainability. And to do this we need to consider all the options and all the people that may and will be affected by our choices. We owe this to the citizens!!!
2. The second point I would like to make is that the development agreement was entered into in good faith by the City, Reith Riley, and Mr. Seng. This agreement was not forced on anyone. This agreement benefited people individually, Reith Riley as a business, and the community. And although the City will benefit from Reith Riley being a part of our community we are also sacrificing some tax revenues as a result. The tax benefits for Reith Riley do not bother me as we should be providing incentives and benefits to those businesses that want to locate, develop, and grow in our community. The concern I have about changing the development agreement is that I truly believe there are other options for development that make more sense than the peninsula property.
3. The third concern I have for changing the development agreement is that I believe it sets a poor precedent for our ability to enter into agreements in the future. How do we hold true to any other agreement if we are willing to just revoke this one without exploring other options? In addition what message are we sending to the Planning Commission if we do allow this change? Why would we need a Planning Commission if we are just going to force them to change zoning anytime a potential business wants to enter into a district that doesn't allow it? The Planning Commission works very hard to manage development in this community to align with our

Master Plan and our Strategic Goals. I believe they serve a valuable service to this community as a whole and I support all of their efforts.

4. The fourth point I would like to make about this situation came to me after Mr. Keith Rose from Reith Riley spoke at the meeting. It is clear that shipping, storage, trucking, and potentially manufacturing will be an opportunity for more than just Mr. Seng. We need to be fair to all the property owners and businesses that could potentially support those other companies. The other companies that are looking to development in this region just want a safe, secure, and logical location for their products. I don't believe their development is solely contingent on whether we change the zoning for the peninsula district. I believe strongly that through the efforts of the AES, businesses in the renaissance zone, and other funding efforts, a deep water port could easily be developed and bring forth a solution that fulfills the needs of those potential future businesses.
5. The fifth point I would like to make is if we make the decision to change the development agreement we will never be able to revert back to the zoning for the peninsula district to support the Revitalization Plan set forth in 2008. This decision is permanent and will certainly and significantly impact all future plans for business development in that district.
6. The sixth and final concern I have with changing the development agreement is the potential fallout from the $400,000 Cool Cities Grant that Manistee received from the State. We may be on the hook for paying that back all or some of the grant if we change the plans or direction we are taking with this district. The city was fortunate enough to receive this grant and I would hate to see us have to pay it back based on a decision that could have had alternatives that would accomplish the same results.

In conclusion, I feel that changing the development agreement is not the right choice at this time. If we fully explore all the other options and the grant issue will not be a factor I would be open to revisiting the development agreement with all parties concerned. Until then I would not support altering or changing the development agreement.

Thank you and I appreciate your time,

Eric Gustad