

CITY OF MANISTEE PLANNING COMMISSION

70 Maple Street
Manistee, MI 49660

MEETING MINUTES

April 3, 2014

A meeting of the Manistee City Planning Commission was held on Thursday, April 3, 2014 at 7pm in the Council Chambers, City Hall, 70 Maple Street, Manistee, Michigan.

Meeting was called to order at 7:00 pm by Chair Yoder

Roll Call:

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

Members Absent: David Crockett (excused)

Others: Keith Rose (Reith Riley), Eric Eggan (Honigman, Miller, Schwartz & Cohn LLP Council for Seng Dock & Trucking), Jeremy Novak (383 11th Street), Denise Blakeslee (Planning & Zoning Administrator) and others

APPROVAL OF AGENDA

Motion by Ray Fortier, seconded by Marlene McBride that the agenda be approved as prepared.

With a Roll Call vote this motion passed 6 to 0.

Yes: Barry, Dean, Fortier, McBride, Wittlieff, Yoder
No: None

APPROVAL OF MINUTES

Motion by Ray Fortier, seconded by Mark Wittlieff that the minutes of the March 6, 2014 Planning Commission Meeting be approved as prepared.

With a Roll Call vote this motion passed 6 to 0.

Yes: Dean, Fortier, Barry, McBride, Wittlieff, Yoder
No: None

PUBLIC HEARING

None

PUBLIC COMMENT ON AGENDA RELATED ITEMS

Chair Yoder asked if anyone in attendance had any comments on Agenda Related Items.

Keith Rose, Reith Riley – Mr. Rose spoke of the history behind locating their Asphalt Plant in Manistee, their investment in the community and their desire to protect their investment.

Chair Yoder asked Mr. Rose how many employees Reith Riley has. Mr. Rose said they average 15.2 employees per year; they hired employees that worked for Mr. Seng and other local people.

Eric Eggan (Honigman, Miller, Schwarts & Cohn LLP) Council for Seng Dock & Trucking – Mr. Eggan spoke to the commission about the use of the property and asked the commission to consider two items. First is for the Commission to approve the Zoning Amendment. Second for the Planning Commission to recognize that the property has been used for shipping since 1972 as a use by right and is “grandfathered in” and is exempt from the Zoning Amendment in June of 2012.

NEW BUSINESS

Correspondence

At the March 20, 2014 Worksession the Planning Commission discussed receiving correspondence without addresses. The Commission asked that this item be placed on the April 3, 2014 Meeting agenda for establishing requirements for receipt of correspondence.

If a letter is submitted without a return address on the envelope or on the letter there is no way for staff to contact the individual who submitted the correspondence for their address.

Unlike when someone submits communication via email staff has the ability to respond to the email. Without making things overly complicated. The Commission could direct staff to ask individuals who did not include their address on their email to request their address on behalf of the Commission. Similar to how the Chair asks individuals who wish to speak at a meeting to “state their name and address” for the Recording Secretary.

MOTION by Maureen Barry, seconded by Marlene McBride that staff is directed to ask individuals who did not include their address on their email to request their home address on behalf of the Commission and they should note if they own property in the City.

With a Roll Call vote this motion passed 6 to 0.

Yes: McBride, Wittlieff, Dean, Fortier, Barry, Yoder
No: None

OLD BUSINESS

PC-2014-03- Seng Dock & Trucking, Zoning Amendment Request

A Public Hearing was on March 6, 2014 in response to the request from Seng Dock & Trucking for a Zoning Amendment that would ADD Shipping Facility as a use permitted by right in the P-D Peninsula District. The Planning Commission took action to continue discussion on the request for a Zoning Amendment at their Worksession on March 20, 2014 and for the item to be placed on the April 3, 2014 Planning Commission Agenda.

Commission discussed proposed Amendment.

Motion by Ray Fortier that the Planning Commission recommends that City Council to deny the request from Seng Dock & Trucking for a Zoning Amendment that would ADD Shipping Facility as a use permitted by right in the P-D Peninsula District.

Motion failed due to lack of a second.

MOTION by Mark Wittlieff, seconded by Marlene McBride that the Planning Commission recommends that City Council to approve the request from Seng Dock & Trucking for a Zoning Amendment that would ADD Shipping Facility as a use permitted by right in the P-D Peninsula District.

With a Roll Call vote this motion failed with a tie vote of 3 to 3.

Yes:	Wittlieff, Dean, McBride,
No:	Fortier, Barry, Yoder

Request Denied

Commissioner Barry wanted to make a motion to leave it up to City Council to decide the request.

Staff said that they would want to verify with the City Attorney if the Planning Commission can forward the request to City Council without a recommendation.

PUBLIC COMMENTS AND COMMUNICATIONS

Jeremy Novak, 383 Eleventh Street - Mr. Novak spoke of his efforts to sell Mr. Seng's property, the City Budget, City Parks and that Mr. Seng is paying taxes on property that he is unable to do anything with.

CORRESPONDENCE

Commissioners received a copy of correspondence received (attached)

- Gary Patulski email
- T. Eftaxiadis and Debra VanLeen letter

STAFF/SUB-COMMITTEE REPORTS

Denise Blakeslee, Planning & Zoning Administrator – Spoke to the Commission about the Firewise Training, Redevelopment Ready Community Program, Realtor Meeting.

Sub-Committee

None

MEMBERS DISCUSSION

Chair Yoder asked that a letter be prepared to thank the DPW employees for their work this past winter.

The Planning Commission will hold a Worksession on April 17, 2014

The next regular meeting of the Planning Commission will be held on Thursday, May 1, 2014

ADJOURNMENT

Motion by Ray Fortier, seconded by Bill Dean that the meeting be adjourned. MOTION PASSED UNANIMOUSLY.

Meeting adjourned at 7:45 pm

MANISTEE PLANNING COMMISSION

Denise J. Blakeslee, Recording Secretary

Denise Blakeslee

From: Gary Patulski [mailto:gpatulski@yahoo.com]
Sent: Friday, March 28, 2014 4:12 PM
To: Denise Blakeslee
Subject: Re: Planning Meeting - Please Distribute

Hello Denise,

I hope you are doing well and that it is warming up in Manistee. I will be arriving back in town in a couple of weeks and I was hoping the snow would be gone before my mom and I arrived but it looks like it may just be wishful thinking.

Denise, I am resending my letter that I sent in for the last Planning Commission Meeting because it did not include my address. I am sorry if that caused any problems.

I see that Mr. Mike Carl also did not indicate his address which is 18166 Trillium, Spring Lake, MI 49456 former Manistee Resident.

Please pass this on to the members of the commission.

Also I want to thank everyone the Planning Commission for considering my input and for including all the letters with the meeting minutes.

Take Care

Garr Patulski
159 Quincy Street
Manistee MI 49660

March 17, 2014

Dear Planning Commission:

It is with much interest that I am closely following the meetings and discussions regarding Mr. Seng's rezoning request to allow him to reopen the deep water port located on his property. As such, I am reading and researching all available documentation that I can find on the Brownfield Authority, American Materials LLC, and Rieth-Riley. I have read Rieth-Riley's written position and their alleged non-compliance by Mr. Seng.

The data that I cannot locate is the number of jobs which American Materials LLC (Rieth-Riley) has created in Manistee since the Peninsula Project and related agreements were entered into.

It would appear that job creation was a commitment included in the agreements. What was the agreed upon timeframe for such job creation? I would appreciate receiving information on what jobs have been created under the agreement. Specifically, please disclose the type of job, the number of jobs, the average wage rate of the jobs, the number filled by residents of Manistee compared to jobs filled by transferees, the business name in which the job was created and if the job still exists today.

Rieth-Riley has operating businesses in other States and Cities. In 2009 they expanded operations. Why not in Manistee?

I would also like to understand what active efforts have been taken by the parties of the agreements to attract an investor or developer for the Peninsula over the past six years. Specifically, has the City of Manistee and the Planning/Zoning Commission been contacted by any party interested in investing or developing the Peninsula and what is the current status of any such inquires?

What Tax base revenue increase over the past six years was directly contributed by the agreements?

In closing, I want to emphasize that Manistee is in need of jobs. It would appear that every party of the agreements have benefited while the tax paying residents have suffered and continuing to suffer.

Please vote for Jobs, not future promises.

Sincerely,

Gary L. Patulski
159 Quincy Street
Manistee, MI 49660

City of Manistee Mayor, City Council and Planning Commission

April 1, 2014

Dear Mayor, Council Members and Planning Commissioners

We are writing this to express our opposition to any rezoning request for the Peninsula or a portion of the Peninsula. We are writing only as interested City residents, and in no way reflecting opinions or positions of any City department or groups with which I have or had a business relationship. I do, however, have knowledge of the reasons for, and the background under which the rezoning from the former zoning to the current mixed-use Peninsula District was adopted. Furthermore, I have substantial working experience with large commercial and residential redevelopment projects in specially established mixed-use districts like the Manistee Peninsula's, as a former planning commissioner, as a redevelopment professional and as a developer. I have worked in Manistee for over twenty years.

Since we moved to Manistee almost 10 years ago, we have appreciated the City's and County's carefully planned efforts to create diverse business opportunities, realizing that pursuing and competing only for new heavy industrial operations is not realistic nor cost-effective given our geographic location and other market and workforce factors. It is for this reason that we support the City's and County's efforts to assist existing commercial and industrial operations to grow and prosper and to capitalize on the deep water port locations available in the vicinity of the Rieth Riley and other currently industrial-zoned locations, while creating new mixed-use business opportunities at the Peninsula.

We find the recent rezoning request to be in conflict with the efforts and investment that the City and private property and business owners have made in the Peninsula, trusting that the current zoning will remain in place to support the long term redevelopment plan for the area. We strongly oppose any request to rezone it back to the former unsustainable uses just because a property owner changed his mind about how he wants to use his property. Zoning or rezoning is enacted for the good of the public not to serve the interests of one or few owners.

Putting aside the legalities of breaking the agreements made by the City, Seng Dock & Trucking and American Materials (that is the legal system's job), we oppose the rezoning request for the following reasons:

1. The claim that the east end of the Peninsula is the only available deep water port is unfounded. There are other locations along the shores of Manistee Lake, within the City and Townships, where deep water port facilities are available and/or operational, and where the City, County and State have invested heavily to provide required public infrastructure; including but not limited to the Rieth Riley dock.
2. The claim of "job creation" appears speculative, at best. To our knowledge, there are no written plans or commitments for substantial and sustainable job creation that the City can use to weigh the cost-benefit of rezoning one parcel of land at the expense of limiting opportunities for growth of the entire

Peninsula. Simply promising “two to five jobs”, as reported in the press and at public meetings, is hardly a justification for considering change in the zoning anywhere in the City.

3. We note that the rezoning request surfaced at about the same time that the property was listed for sale. One wonders whether the rezoning request was initiated by the property owner and the listing agent as part of an effort to market the property at more favorable terms, rather than to start a new successful and sustainable business by the property owner as reported in the newspaper articles. If such new business is real, is there a written plan publicly available for the City to evaluate its merits as related to a rezoning consideration?

4. The City, with State assistance, has invested in substantial public infrastructure improvements designed to facilitate the long term redevelopment of the entire Peninsula consistent with the new zoning; instead of directing such funds to infrastructure projects elsewhere in the City. Will the City require the owner of the property considered for rezoning to reimburse the City and State for public infrastructure investment already incurred?

5. Private property owners in the Peninsula have already invested in improving, enhancing and expanding their properties and operations with the expectation that the current mixed-use zoning will remain intact. We understand that the investment to improve and expand the Seng Marina and the Iron Works building (with the Community Kitchen and Cafe, etc.) was made as part of a long term effort towards the redevelopment of the Peninsula.

6. Representatives of the Alliance for Economic Success, City Departments and the owners of the Iron Works property have recently prepared a joint proposal to the State and to an out-of-State commercial entity to attract a large (>100,000 square feet) full-production brewery, packaging, distribution, export and administrative support facility to the Iron Works property, including Garden/Dining, Indoor Dining/Bar, Kitchens, Retail and Service Areas. The Manistee Iron Works building has been short-listed as one of 11 sites in Michigan for this operation. Over 100 jobs will be created if this proposal is accepted. This is the type of mixed-use operation and associated job creation that the current Peninsula zoning envisions, attracts and encourages; the former zoning would discourage such operation at the Peninsula.

7. The owner of the property for which rezoning is requested, has claimed that a mixed-use redevelopment plan for the Peninsula is not feasible. We reject this claim. The alternative redevelopment plan prepared by the property owner, and which I have personally reviewed and discussed with reputable Michigan developers and business colleagues, is narrow in scope focusing primarily on a series of waterfront residential buildings along a strip of land on the water edge of the property, excluding the rest of the Peninsula. Such plan does not integrate or create value for the interior portions of the Peninsula, therefore, it is not economically viable. While the real estate market in the last several years has not been robust enough to support a large mixed-use project, such poorly conceived redevelopment plan further inhibits the ability to redevelop the property. Additionally, the unreasonably high price of this property, further inhibits its purchase and redevelopment.

8. Finally, mixed-use redevelopment of a large, environmentally challenging area such as the Manistee Peninsula at a time of compressed real estate values and economic activity, will take many years of planning and on-going public support. It requires the involvement of open-minded, realistic and persistent property owners working cooperatively with the City, County and State. Among other factors, long-term redevelopments require consistency in the zoning. Developers considering multi-million dollar investment in areas such as the Peninsula, expect realistic real estate prices, completion of planned public infrastructure improvements, availability of financial incentive programs, and predictable zoning and local regulations.

The complexity, magnitude, challenges and opportunities expected in the redevelopment of the Manistee Peninsula, are similar to those faced by the redevelopment team of the Grand Traverse Commons, the former State Psychiatric Hospital in Traverse City, that started in 2000 and is only 60% completed. It is through the availability of consistent mixed-use zoning, public financial assistance, strong local governmental support, and the redeveloper's perseverance that over 410 jobs have been created, 95 businesses have been established, \$130,000,000 in private investment has been made, and more than \$45,000,000 in taxable value has been created, to date. Based on my involvement with that redevelopment project, I can assure you that a change in the zoning at any time during the redevelopment process would have stopped the project in its tracks and would have negatively impacted the value of what has already been built.

We strongly urge you to stay the course and allow the Peninsula to benefit by opportunities offered by the improving Michigan and national economy and the stabilizing real estate values by, among other actions, maintaining the current progressive zoning.

Thank you.



T Eftaxiadis and Debra VanLeen

817 Cherry Street
Manistee, MI 49660

