

**MINUTES OF THE GROSSE POINTE CITY COUNCIL MEETING HELD IN THE COUNCIL CHAMBERS, 17145 MAUMEE AVENUE, GROSSE POINTE, MICHIGAN ON MONDAY, APRIL 16, 2018.**

The meeting was called to order at 7:00 p.m.

ROLL CALL

Present: Mayor Boettcher, Council Members Parthum, Stempfle, Tomkowiak, Turnbull, Walsh, Williams

In Attendance: City Manager Dame, Attorneys Fildew and Kennedy, City Clerk Arthurs, Finance Director Kleinow, Public Safety Director Poloni, Public Service Director Randazzo, Parks and Recreation Director Hardenbrook and City Planner Jackson.

CONSENT AGENDA

Motion by Council Member Stempfle, second by Council Member Parthum, to approve the Consent Agenda consisting of the following:

1. Minutes from the regular Council Meeting held on March 19, 2018.
2. Invoices
  - a) Anderson, Eckstein, and Westrick, Inc.
    - 2018 Resurfacing Program, 2/5/18 – 3/4/18, \$18,414
    - Neff Road Pump Station – Back Flow Gates, 2/5/18 – 3/4/18, \$5,338.67
  - b) Great Lakes Water Authority - Sewage Disposal, March 2018, \$75,800
  - c) Oakland County - Clemis, 1/1/18 – 3/31/18, \$5,271.75
  - d) City of Grosse Pointe Park - Dispatch Services, 1/1/18 – 3/31/18, \$26,630.10
  - e) Fontana Construction - SRF Sewer Project, Final Payment, \$162,056.35
3. Resolution. Be it resolved, that a public hearing on the proposed City of Grosse Pointe 2018-2019 Budget is set for Monday, May 14, 2018, at 7:00 p.m. in the City Council Chambers.
4. Approval of Special Event Request for the Grosse Pointe-Farms-City Little League parade on Saturday, April 28, 2018 at 10:00 am.
5. Approval of Special Event Request for the Grosse Pointe Pride March on Sunday, June 9, 2018 at 10:00 am.
6. Approval of National Arbor Day Resolution as submitted.

CONSENT AGENDA UNANIMOUSLY ADOPTED.

PUBLIC HEARING – SINGLE LOT ASSESSMENTS

Mayor Boettcher opened the Public Hearing regarding 2018 single lot assessments.

Finance Director Kleinow made the following report:

The City of Grosse Pointe provides for the collection of delinquent water and sewage charges in Section 48 of the Grosse Pointe City Charter. Section 1.15 of the Grosse Pointe City Code directs the City Assessor to prepare a Single Lot Assessment Roll of such delinquent charges and for any expenses incurred by the City in providing other services, together with a penalty of 10%. The unpaid charges and penalties are then considered a lien against the property and are placed on the 2018 City tax bill for collection. Informational notices were mailed on February 15, 2018 to all property owners with delinquent charges. A complete list of these unpaid charges was submitted to Council. A public hearing is required on the roll before it can be assessed.

Mayor Boettcher asked for public comment.

Hearing no public comment, Mayor Boettcher declared the public hearing closed.

Motion by Council Member Stempfle, second by Council Member Tomkowiak, to approve the Single Lot Assessment Roll as submitted.

UNANIMOUSLY ADOPTED.

#### HOTEL CONCEPT PRESENTATION – PEDERSEN DEVELOPMENT COMPANY

Mayor Boettcher asked for the Pedersen Development Company team to make their presentation. Scott Pedersen, President of Pedersen Development Company, introduced members of the project team present including Curt Pedersen, David Crisafi of CERES and Andy Martin, of FH Martin Constructors, recently added as general contractor based on its experience and recent construction results completed within the City. Mr. Pedersen discussed the proposed upscale boutique hotel development and that the proposal is in keeping with the tradition of the Grosse Pointe communities. Mr. Pedersen noted that Phase I includes a boutique hotel with most likely less than 100 rooms with an adjacent parking garage. Level parking of approximately 200 spaces is proposed. Phase II would include a mixed-use residential building plus a commercial component, with underground parking situated on the western portion of City Lot 3. He noted that the proposal meets all aspects of the original RFPQ and is responsive to feedback from the ad-hoc Hotel Committee created earlier this year.

Curt Pedersen presented a project overview including visual slides of preliminary renderings and images of the proposed hotel and garage. Mr. Pedersen discussed the proposal to build a “destination” hotel that is in keeping with the tradition of Grosse Pointe including its historical and architectural design influences, amenities and location. The proposed layout shows a hotel that fronts St. Clair with a second level outdoor terrace along with a courtyard adjacent to the expanded alley to support more spacious pedestrian areas. Infrastructure and construction cost estimates were discussed. Other site plan and layout details were discussed including staging to alleviate impact on business in the area. Mr. Pedersen answered various Council questions regarding the concept presentation.

Mayor Boettcher asked for Council comments on the hotel concept presentation and the Council made comments including that the revised concept was responsive to the hotel committee’s requested characteristics and public input, feasibility of less rooms, discussion of proposed flags for the hotel, how the garage would be built and its timeline, importance of evaluating whether the rough design of the project that is acceptable, and then getting the feasibility and financial reports as part of the due diligence process, need for intense and thorough review of financials, volume of the building on the site has been reduced, importance of the design accommodating open space, when will the decision be made on the hotel flag and will the City be consulted, how close is the design and footprint to the proposed hotel flag, can the key elements of the interior and exterior design be change based upon the hotel operator, the developer was given an opportunity to meet required expectations and have done so by providing the hotel concept.

Mayor Boettcher asked for public comment and requested that speakers follow the City public comment guidelines. The following comments were made by those in attendance.

Bob Halso, resident of Grosse Pointe, is opposed to the hotel at the proposed location because it affects the health, safety and welfare of the City. The proposal does not comply with preferred development agreement, a special use is required, there is no traffic study, and the proposal does not meet zoning requirements. He expressed concern regarding the lack of details and lack of communication with the residents.

James Bellanca, property owner in Village, asked if general fund money or bonds would be used for the building of the garage or for related infrastructure. He asked if a public hearing will be conducted for the final development.

Phil Gerlach, resident of Grosse Pointe, asked if the City needs a hotel, who would stay in the hotel and who it would draw to the community. Answers to these questions are critical to the decision.

David Fries, resident of Grosse Pointe, asked if the volume of cars and pedestrian traffic has been studied. Traffic flow of both will have an impact on the Village.

Mr. Cugliari, resident of Grosse Pointe, stated that failure of the hotel is not an option, and a long-term commitment beyond the development is necessary.

Several business owners expressed concern regarding how the construction will affect the area and where will current business owners and patrons park.

Sandy MacMechan, resident of Grosse Pointe, stating that other communities in the area, such as St. Clair Shores, are looking for a hotel development.

Bob Hoben, St. John, asked that Council seriously look at parking for the project, including Lot 3 and the impact on both the hotel and the surrounding businesses.

Andy Martin, resident of Grosse Pointe, spoke about his role on the development team and his role on the Grosse Pointe Downtown Development Authority, as it relates to the hotel concept proposal.

Art LeVasseur, resident of Grosse Pointe, stated that not enough information is available about the project, he is concerned about the footprint of the garage and that he is adamantly against the hotel project.

Brian Benz, resident of Grosse Pointe, is in favor of the updated hotel concept for the Village, he feels it will benefit the community.

Dale Scrace, resident of Grosse Pointe, that the updated concept is a new beginning and addresses the community and committee directives; there is a lot of work to do in the due diligence process.

Several comments were made regarding hotel clientele, what happens if the hotel fails, can it be converted to other residential uses and the need for an updated feasibility study.

After hearing no further comments, Mayor Boettcher closed public comment. Mayor Boettcher asked for Council Comment. The following comments were made: The hotel concept is not good enough and does not meet standards; there is not an official proposal yet to review but it is still a potential asset to the community; change is difficult but it is important to wait for the actual details and financials of the project before a decision is made; the current concept matches Cambria interior design and that a more unique design was expected; concern that an updated report from HVS was not submitted as part of the concept; concern that a DDA member is now on the development team; how are the financials going to work; no general funds will be used for the project; importance of making solid decisions to protect residents; importance of taking one more step to determine the feasibility of the project and to finalize the numbers for the hotel project so Council can properly review a hotel concept.

Motion by Council Member Parthum, second by Council Member Walsh, to extend the preferred developer agreement with Pedersen Development Company for six months to begin and conduct due diligence with regard to a proposed hotel in Grosse Pointe.

#### ROLL CALL

Ayes: Boettcher, Parthum, Tomkowiak, Turnbull, Walsh

Nays: Stempfle, Williams

Absent: None

Motion Carries 5 votes Aye to 2 vote Nay.

The City Council recessed at 8:35 p.m. and reconvened at 8:49 p.m.

BID AWARD – 2018 ROAD PROGRAM

Public Service Director Randazzo made the following report:

A bid opening was conducted for the 2018 Road Program on April 11, 2018 and two bids were received. AEW has reviewed the bids and determined that Florence Cement Co, the lowest bidder, is qualified to carry out the project. It was noted that Florence Cement has worked on various projects in the City previously in 2008, 2010 and 2011. As with the road project last year, sewer related repairs will also be undertaken before the road is resurfaced and cost again will be covered by the Water and Sewer funds. Discussion took place regarding requesting bids to cover multi-year periods to help achieve better pricing and cost effectiveness.

Road components of the 2018 Road Program will be covered by the special road millage approved by the voters in 2014 and supplemented by the City’s Highway Fund. Engineering estimates for this project are \$934,000 for the street resurfacing and \$236,000 for the storm drainage improvements for a total of \$1,170,000. Florence Cement Co.’s bid is broken down as follows, which was \$1,576.96 less than Proline’s bid of \$1,149,224.32:

Charlevoix – Neff to Fisher	\$633,344.57
Lakeland – Charlevoix to 100’ north	\$21,558.08
Neff – Maumee to St. Paul	\$153,625.77
Notre Dame – Kercheval to Waterloo	<u>\$124,360.44</u>
	\$932,888.86
Storm Drainage Improvements	<u>\$214,762.50</u>
Total	\$1,147,651.36

Motion by Council Member Parthum, second by Council Member Williams, to authorize the award of the 2018 Road Program to Florence Cement Co. for a total amount of \$1,147,651.63 including street surface repairs and storm drainage improvements.

UNANIMOUSLY ADOPTED.

SELECTION OF A COMMUNITY SURVEY FIRM

City Manager Dame made the following:

At the City Council discussion on budget priorities and on communications during the February meeting, there was support for conducting a Citizen Survey. The survey would allow the City to obtain a representative impression of the attitudes of Grosse Pointe residents about the City. Using typical questions used by hundreds of communities across the Midwest and the United States, the survey would allow assessment of Grosse Pointe’s residents’ opinions about quality of life issues, value and assessment of all city services, customer service response, and communication methods. Those responses would be benchmarked against responses from other communities. In addition, questions about City related topics of particular interest to the Council could be added to the standard questions. The survey would help the City identify areas for potential improvement in service delivery, customer satisfaction, and help guide policy priorities.

There are two national firms that specialize in providing this type of service: National Research Center of Colorado and ETC Institute of Olathe, Kansas. These firms are able to provide benchmark data from other communities to add to the value of conducting these surveys. They both start with similar types and ranges of citizen survey questions that are used in all of their citizen surveys and provide a valuable base for comparison. NRC is an official partner with the ICMA and was the first in this field. ETC expanded into the citizen survey field also after initially being recognized as a leader in the survey research field.

The NRC proposal with the options recommended by staff would total a cost of \$24,795. The ETC proposal with the same features including an open-ended question at no extra cost for a total a cost of \$14,690 (including \$1500 for geocoding responses to several questions by geography). Both surveys would be mailed but would also allow response by website, as it is increasingly hard to obtain a representative sample through telephone surveys. While they are both excellent experts in the field, and great to deal with; overall, the flexibility and lower cost of the ETC proposal, while still achieving the citizen satisfaction assessment, is more attractive.

Council discussion took place regarding the community survey proposal and City Manager Dame answered various questions. It was noted that City staff is anticipating an operational surplus in the current fiscal year of at least \$300,000. In order to accomplish both of Council's stated goals, the community survey would be funded from this current fiscal year's surplus.

Motion by Council Member Parthum, second by Council Member Williams, to authorize the execution of an agreement with ETC Institute for conducting a citizen survey of Grosse Pointe residents.

UNANIMOUSLY ADOPTED.

#### INTERGOVERNMENTAL AGREEMENT – GROSSE POINTE PUBLIC SCHOOL DISTRICT FOR ROCKET FIBER NETWORK

City Manager Dame made the following report:

For more than a year, the Grosse Pointe School District and each of the Grosse Pointe municipalities and Harper Woods, joined more recently by the Grosse Pointe Library Board, have been working on a partnership to build a fiber network to service the public and school facilities in the area. With the assistance of the Merit Network as a technical advisor (which started at the University of Michigan and has completed fiber networks to all of the colleges in the state of Michigan), an RFP was issued. Multiple fiber network firms applied. Finalists were selected, and from the finalists the entire consortium selected Rocket Fiber as the firm with which to work on this project. It was not only the lowest cost proposal, providing 20 years of maintenance along with the construction of the fiber connections that would be owned by the consortium of Grosse Pointe public entities, but Rocket Fiber also has plans to install its own fiber at the same time. This would allow Rocket to bring its very high speed, state of the art data network to the Grosse Pointe area. It would be the first area outside of downtown Detroit that Rocket Fiber would expand to. Using its own fiber network, Rocket could then provide its high-speed data services to residents and businesses.

The City would connect high speed data to all of its public facilities including the new Public Safety building, the City Hall complex, Neff Road pump station (with a backup connection), Neff Park, and the City's parking lots that currently have internet connection.

The total capital cost for Rocket to build the Grosse Pointe part of the network is \$394,487.67. That amount would be the City's responsibility to pay, assuming all of the proposed partners approve the intergovernmental agreement. In addition to the Rocket Fiber construction cost reimbursements, there will be legal and construction management costs incurred by the consortium, that will be shared. Finally, there will be some equipment at each location the fiber is brought to and the need to "light" the fiber to activate the network so data services can be provided. City staff has conservatively estimated those costs at 15% of the construction cost, which brings the total cost of the project to \$460,000. Together, the Parking and Water/Sewer funds would be responsible for two-thirds of the upfront costs. Those upfront costs are offset by the reduced costs the City will no longer incur for its telecommunication services currently provided by Comcast, AT&T, and its IP phone service provider. Those cost currently total \$43,694 annually.

Gary Niehaus, Superintendent of the Grosse Pointe Public Schools, addressed Council regarding the fiber network. Mr. Niehaus described the history of the project, explained its benefits and answered Council questions.

It was noted that this project will be very beneficial to the City and its residents and the Council thanked Mr. Niehaus for his presentation and participation in the consortium.

Motion by Council Member Parthum, second by Council Member Williams, to authorize the execution of an intergovernmental agreement with the Grosse Pointe School District. This authorization would be contingent upon a final agreement by all of the current parties to participate, and upon legal approval by the City Attorney.

UNANIMOUSLY ADOPTED.

BID AWARD – NEFF PUMP STATION BACKFLOW GATE REPLACEMENT AND DISCHARGE CHAMBER RESTORATION

Public Service Director Randazzo made the following report:

The proposed project includes the replacement of the backflow flap gates on Pumps Nos. 1, 2 and 3, and surface restoration of the discharge chamber and upper Pump No. 7 discharge chamber at the Neff Road Pump Station. The repairs were reviewed as part of the budget hearing for this current fiscal year and are included in the planned capital program for water and sewer. The following is a summary of the tabulation of bids:

Oak Construction Corp.	\$267,000
Inland Water Pollution Control	\$325,400
Z Contractors	\$342,500
Weiss Construction	\$387,996

Oak Construction provided a voluntary alternate bid item with their proposal for the expedited delivery of the three flap gates. The standard delivery timeframe from the factory is noted as 22-24 weeks. The expedited delivery option of 6-8 weeks would add \$7,000 to the project. The added expedited delivery cost does not change the apparent low bid and would aid in the timely completion of the project.

Motion by Council Member Parthum, second by Council Member Stempfle, to award the bid for the installation of the flap gates and restoration of the discharge chamber at the Neff Road Pump Station to Oak Construction Corporation, to include the alternate bid of \$7,000 for a total of \$274,000.

UNANIMOUSLY ADOPTED.

PUBLIC COMMENT

Eileen Wullschleger, Grosse Pointe Farms, stated she submitted a complaint with the Public Safety Director regarding an accident that occurred in Grosse Pointe Farms in 2013, and that she is not receiving any justice regarding her complaint. She expressed concern that there is no coverage of her complaint in the local press and that the Council has not taken action about the incident and that no response was received from Council.

Leticia Johnson, who represents and works with several Detroit neighborhood associations, stated she hopes to continue open communication with the City and its staff. Ms. Johnson announced that she is a candidate for State Representative for District 2.

STAFF REPORTS

Public Service Director Randazzo reported on the reconstruction of Kercheval Place and related construction traffic. Finance Director Kleinow reported on the budget preparation and submitted a draft budget to Council. Public Safety Director Poloni presented a PowerPoint presentation to Council regarding the fires on Washington in March. Director Poloni described response times, played 911 recordings and discussed a timeline of the fire

event. Director Poloni answered Council questions regarding response times, mutual aid and extenuating factors within the event.

#### COUNCIL COMMENT

The City Council commented on the following topics:

- Appreciation was expressed to the Public Safety Department for their response to the fire on Washington. The Council expressed relief that no residents or first responders were injured.
- It was good that the preferred developer could make a preliminary presentation of a proposed hotel after almost 13 years of trying to get a project plan to come to fruition. It is important to give the developer time to present the right plan for the City.

#### CLOSED SESSION

Motion by Council Member Tomkowiak, second by Council Member Stempfle to go into closed session for review of a memorandum subject to attorney client privilege.

#### ROLL CALL

Ayes: Boettcher, Parthum, Stempfle, Tomkowiak, Turnbull, Walsh, Williams

Nays: None

Absent: None

The Council met in closed session from 9:55 p.m. to 10:05 p.m. The City Council reconvened in open session at 10:05 p.m. There was no further action taken by Council.

On Motion, the meeting was adjourned at 10:06 p.m.

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Julie E. Arthurs, City Clerk  
City of Grosse Pointe