

September 23, 2014

PUBLIC HEARING
OF THE MUNISING CITY COMMISSION

PLEASE TAKE NOTICE that a Special Meeting of the City Commission of the City of Munising, Michigan, Telephone 906-387-2095, will begin at the City Hall Building, 301 E. Superior St., Munising, MI at 6:00 p.m. on Tuesday, September 23, 2014.

This notice is given in compliance with Act No. 267 of the Public Acts of Michigan, 1976.

Sue E. Roberts, City Clerk

AGENDA

- A. CALL TO ORDER PUBLIC HEARING OF THE CITY COMMISSION, PLEDGE OF ALLEGIANCE, ROLL CALL
- B. PUBLIC COMMENTS (NON-AGENDA ITEMS)
- C. MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING FOR REPLACEMENT OF APPROXIMATELY 1400 FT OF WATER MAIN
- D. DESIGNATE ENVIRONMENTAL REVIEW OFFICIAL
- E. APPROVE AUTHORIZING RESOLUTION
- F. ADOPTION OF COMMUNITY DEVELOPMENT PLAN
- G. ADJOURNMENT

CITY COMMISSION

Official Proceedings

- A. CALL TO ORDER PUBLIC HEARING OF THE CITY COMMISSION, PLEDGE OF ALLEGIANCE, ROLL CALL

The Public Hearing of the City Commission was duly called and held on Tuesday, **September 23, 2014**, in the City Commission Room of City Hall. Mayor DesJardins called the Public Hearing to order at 6:00 p.m.

PRESENT: Commissioners: Dolaskie, Cotey, Bornslaeger, Nettleton and Mayor DesJardins
ABSENT: None

- B. PUBLIC COMMENTS (NON-AGENDA ITEMS)

There were none.

- C. MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING FOR REPLACEMENT OF APPROXIMATELY 1400 FT OF WATER MAIN

City Manager Olson explained the process for the Community Development Block Grant funding.

- D. DESIGNATE ENVIRONMENTAL REVIEW OFFICIAL

Moved by Commissioner Dolaskie to designate City Manager, Devin Olson as the Environmental Review Official. Support by Commissioner Bornslaeger.

Approved: Yeas: Commissioners: Dolaskie, Cotey, Bornslaeger, Nettleton and Mayor DesJardins
Nays: None

- E. APPROVE AUTHORIZING RESOLUTION

Moved by Commissioner Cotey to approve the Authorizing Resolution. Support by Commissioner Dolaskie.

Approved: Yeas: Commissioners: Dolaskie, Cotey, Bornslaeger, Nettleton and Mayor DesJardins
Nays: None

**MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG) PROGRAM
MICHIGAN STRATEGIC FUND
AUTHORIZING RESOLUTION**

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Whereas, the City of Munising must replace approximately 1400 feet of water main, located along H-58; and

Whereas, the City of Munising is requesting \$170,935.00 in grant monies with the City of Munising's matching amount of \$86,716.00; and

Whereas, the City of Munising's proposed project is consistent with the UGLG's community development plan requirements; and

Whereas, the proposed project is of such nature that the DEQ has mandated the water line replacement; a. the serious threat to the health and/or safety of citizens exists as described in the application and is considered to be an emergency situation, b. immediate action is necessary; any delay will intensify the situation; and this threat can be supported by an appropriate authority other than the applicant, c. the situation has not been brought on by poor maintenance or neglect, and d. there are no other federal, state or local resources available to alleviate the threat; and

Whereas, the City of Munising has not paid any project costs incurred prior to a formal grant award, completion of the environmental review procedures and formal, written authorization to incur costs has been provided by the CDBG Project Manager; and

Whereas, the City of Munising states that any of the CDBG funding will be returned to the Michigan Economic Development Corporation, acting on behalf of the Michigan Strategic Fund, if project funds are reimbursed by insurance, or state or federal grant award or assistance; and

Whereas, the City Commission has authorized the City Manager to submit the Michigan CDGB application at a regular meeting of the City Commission held on Monday, September 15, 2014; and

Whereas, the City Commission has authorized Devin Olson, City Manager as the authorized person to sign the Part 2 application and all attachments; and

Whereas, the City Commission has authorized Devin Olson, City Manager as the authorized person to sign the Grant Agreement and all amendments; and

Whereas, the City Commission has authorized Devin Olson, City Manager as the authorized person to sign the Grant Payment Request;

Now Therefore Let it be Resolved, that the City of Munising's City Commission approves this Authorizing Resolution.

Date: _____

Rod DesJardins, Mayor

Date: _____

Sue Roberts, City Clerk

F. ADOPTION OF COMMUNITY DEVELOPMENT PLAN

Moved by Commissioner Bornslaeger to adopt the Community Development Plant with the corrections sited (first page first paragraph third line should read "a large effect upon the local residents" and the last page third paragraph fourth line should read "to address their medical needs") Support by Commissioner Cotey.

Approved: Yeas: Commissioners: Dolaskie, Cotey, Bornslaeger, Nettleton and Mayor DesJardins
Nays: None

Community Development Plan
City of Munising
H-58 Water Main Replacement Project

In the last 70 years, the population within the City of Munising has decreased by over 42%. Accompanying this change in population, has been a shift in the economic factors within the regional economy that has had a large effect upon local residents. The economic base of the City of Munising is largely based upon the natural resources in the surrounding region. The working age population is generally accepted as those from 16 to 65 years of age. Those persons 18 or older constitute the eligible voting population. Of course, not everyone between the ages of 16 and 64 is in the labor force, and not everyone 18 or older actually votes. However, this breakdown does

give communities a sense of how their population is distributed for planning and comparative purposes.

Historically, the local economy, like that of the county, is closely related to natural resources and its features. The proximity and abundance of forest products provide much of the raw material utilized in commercial enterprises such as paper and lumber mills.

The City of Munising benefits from the diversity that exists among area businesses and industries. Manufacturing industries like the Neenah Paper mill and the Timber Products Michigan sawmill and veneer mill provide a strong base of employment. Hiawatha Communications, Inc. (HCI) is the locally owned and operated holding company that oversees four Incumbent Local Exchange Carriers (ILECs) across the Upper Peninsula, including Hiawatha Telephone Company, in Munising.

Economic activity in the service and retail trade sectors has favorably impacted employment as the tourist industry has grown. Community groups such as the Greater Munising Bay Partnership for Commerce Development, Alger County Economic Development Corporation, and the Munising Downtown Development Authority have worked to bring about infrastructure improvements and have initiated marketing programs which have benefitted the local economy. The city's industrial park offers water, sewer, electricity, gas and the availability of all-season road access. Poverty levels are determined by the U.S. Bureau of the Census based on a complex formula including 48 different thresholds. The analysis provided in Table 3-10 is based on 1999 incomes as gathered in the 2000 Census.

The City of Munising's 2000 poverty rate for all persons was only slightly higher compared to the statewide percentage of 10.5. Alger County's poverty rate was slightly lower at 10.3 percent. The most notable comparisons can be drawn from the percentage of families with children under 5. The city's percentage of 19.3 percent is notably more than the state, and for Alger County as a whole. It should be noted that the 1999 percentage levels when compared to the 1989 figures, were lower in most cases across the board.

Poverty Rates, Selected Areas, 2000 Census			
Poverty Rates by Group	City of Munising	Alger County	State of Michigan
All Persons	11.4	10.3	10.5
18 years and over	11.2	9.4	9.3
Female Householder Families	23.7	27.9	24.0
Families with Children Under 5	19.3	14.9	14.7
Persons 65 or Older	10.1	8.1	8.2

The needs and problems that are present with the City of Munising in regards to the low to moderate income individuals is the lack of year round employment. The basis of the Cities economy is centered on seasonal or temporary opportunities due to the seasonal nature of our natural resource features. With this being said, the City does benefit from having a handful of regional employers that provide year round competitively paying positions. Outside of governmental entities, these employers are mainly the Neenah Paper Mill, the Alger Maximum security prison, Munising Memorial Hospital, and Timber Products.

Another important factor within the City of Munising is the housing that is available to individuals and families who are considered low to moderate income. In 2000, 58.7 percent of Munising residents living in family households, which was less than Alger County (68.3) and the state of Michigan (82.4). The percentage of children living in family households represented 25.0 percent of the total population of the city. An issue that the low to moderate income population faces is the stagnant new low to moderate housing market within the community.

Long Term Activities

The City has a multitude of Long Term Activities that can be undertaken to address the economic and housing needs of the Cities low to moderate population. Long term can be defined as an activity that will begin or last longer than two years. The main tenants of these are:

Economically-

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- Cooperate with surrounding townships to identify potential sites suitable for expanding businesses or new businesses looking to locate in the area.
- Support and participate in area-wide economic development efforts.
- Encourage, support and cooperate with the Downtown Development Authority, Alger County Chamber of Commerce, the Munising Area Partnership for Development and other entities dedicated to strengthening the local economy.
- Utilize 100 percent of the Industrial Park by promoting occupancy to small businesses.

Housing-

- Ensure the availability of housing development sites through zoning and other means of land use regulation.
- Encourage additional apartment units within the downtown business district through the conversion of underutilized upper floor space.
- Encourage redevelopment and rehabilitation of residential areas with existing infrastructure.

When addressing the long term activities that the City plans on undertaking, the key tenant is to first help foster growth of our existing employment and housing stock and then attract new opportunities. Basis for this plan is the limited amount of available unused economic and residential space within our City limits. Additionally, the City would also entertain new or additional partnerships with regional entities that specifically address these issues. Examples of this these would be Michigan Works, the local Housing Commission, and the Alger County Chamber of Commerce.

Short Term Activities

In addition to the long term activities that the City can undertake, there is also a multitude of short term activities that the City of Munising can undertake to address the needs of our low to moderate income individuals. The short term can be defined as activities that can be addressed within the next two years. These activities include:

Economically -

- Ensure that retail, commercial and industrial growth occurs in areas identified and zoned as suitable to support such growth.
- Continue to promote the city's proximity to unique recreational opportunities within the Pictured Rocks National Lakeshore, Grand Island, Hiawatha National Forest, the Alger Underwater Preserve and additional public and private attractions.
- Encourage existing area businesses to remain, improve and grow.
- Review current zoning ordinance regulations regarding commercial and industrial districts to encourage consistency with the Master Plan.
- Promote a positive climate within the city which will maintain and attract business and employment opportunities.

Housing-

- Ensure the availability of housing development sites through zoning and other means of land use regulation.
- Maintain an awareness of current housing rehabilitation programs designed to upgrade existing housing units.
- Encourage redevelopment and rehabilitation of residential areas with existing infrastructure.

Through the adherence and application of the previously identified activities, the City can work towards addressing the housing, employment, and quality of life needs of our low to moderate income population. Utilizing these activities will help positively affect the local employment and housing

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stock by providing adequate employment opportunities and a housing market that would facilitate housing at prices that would service the populous.

Impact of CDBG project

The City of Munising has a water supply which consists of three local supply districts which are typically referred to as the East, West, and Central districts. The Infrastructure repairs are necessary to ensure that the health and welfare of the community are able to be met at all times. The project as identified in this application has been driven by the duty of the City of Munising to provide access to a public water utility that is safe and easily accessible. The 1,400 linear feet of water main the needs to be replaced is one of two water mains that connect the East end of our system to the Central and West portions. The installation of a 12" main in 2008 that created a looped system in this area was done so to insure that the any one of our three tanks (East, Central, and West) could supply the entirety of the system if need be. Without having a completed and looped system, a failure of any one of our three tanks could result in their respective portion of town being without water service. Until the large section of compromised main is replaced, any failure in the 12" leg of the loop would result in the isolation of the East section from the Central and West sections of the system. Due to the requirement to have an interconnected looped system in place, the Department of Environmental Quality requires the replacement of the compromised 8" water main.

Another main driver that makes the repairs necessary is that the current engineering of the system that is in place is to provide quality drinking with the lowest attainable level of impurities. A failure in our 12" main would isolate the West portion of our City and would create stagnant "dead ends." If water becomes stagnant in a section of main for an extended period of time, harmful bacteria could become established within the system and pose a direct health risk to its users. The water supply within the City of Munising originates out of a below ground aquifer that provides an almost impurity free quality of water. Due to our lack of need for chlorine treatment, our water system has a slightly higher risk of bacterial infiltration if a "dead end" situation was created within our looped system.

As described, the necessity to have an operational interconnected looped water distribution system serves the benefit of the entire community. The City of Munising services seven (7) health care facilities that directly affect the ability for residents to address their medical needs. These medical facilities range from a full service hospital to dental and optical facilities. The ability to provide water utility does not only impact the health and welfare of our 2,355 residents, a fully functional water distribution system directly affects the commercial entities within our municipality. The City of Munising's water distribution system serves the commercial base of our economy. Without access to clean and reliable potable water, most commercial entities would not be able to function or carry out day to day activities.

Displacement of Persons

No individual, household, or commercial entity will be displaced by this project or as a direct or indirect result of this project.

G. ADJOURNMENT

Moved by Commissioner Cotey to adjourn the Public Hearing. Support by Commissioner Dolaskie.

Approved: Yeas: Commissioners: Dolaskie, Cotey, Bornslaeger, Nettleton and Mayor DesJardins
Nays: None

The Public Hearing of the City Commission adjourned at 6:04 p.m.

Rod DesJardins, Mayor

Sue Roberts, City Clerk