

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Regular Council Meeting
Thursday, March 2, 2023**

The meeting was called to order by the Honorable Mayor Mark Ammel at 7:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Mark Ammel, Council Members, Ronald J. Beauchamp, Tyler DuBord, and Karen Moore

Absent: Council Member Todd Flath

Also Present: City Manager James R. McNeil, City Clerk Phil DeMay, Department Heads, media, and members of the public.

City Clerk DeMay led Council in the Pledge of Allegiance.

DuBord moved, Moore seconded, **CARRIED UNANIMOUSLY**, to excuse Council Member Todd Flath from the meeting.

DuBord moved, Moore seconded, **CARRIED UNANIMOUSLY**, to approve Regular Meeting minutes from February 16, 2023, as submitted.

ADJUSTMENTS TO THE AGENDA

DuBord moved, Moore seconded, **CARRIED UNANIMOUSLY**, to move **NB-4** Closed Session after announcements and before adjournment and approve the City Council Agenda as amended.

CONFLICT OF INTEREST DECLARATION – None

BRIEF PUBLIC COMMENT

- Bonnie Hakkola – discussed **NB-2** a resolution supporting Senate Bill No. 19.

PUBLIC HEARINGS – None

UNFINISHED BUSINESS – None

NEW BUSINESS

NB-1 Approval – Purchase a New Brush Chipper – Engineering/Public Works.

City Administration sought City Council approval to purchase a new Bandit 15XP chipper for the estimated cost of \$50,420.00.

NB-1 DuBord moved, Beauchamp seconded, to approve to purchase a new Bandit 15XP chipper for the estimated cost of \$50,420.00.

Upon a call of the roll, the vote was as follows:

Ayes: DuBord, Beauchamp, Moore, Mayor Ammel

Nays: None

Absent: Flath

MOTION CARRIED.

NB-2 Approval – Resolution Supporting Senate Bill No. 19 – City Manager.

Administration requested City Council consideration of a resolution supporting Senate Bill 19.

NB-2 By Council Member DuBord, seconded by Council Member Moore:

CITY OF ESCANABA

RESOLUTION NO. 23-03

RESOLUTION TO SUPPORT LEGISLATION

WHEREAS, Representative of Michigan's 38th Senate District, Senator Ed McBroom, seeks to introduce two bills, Senate Bill Nos. _____ and _____, intended to address the method by which the Michigan Tax Tribunal values certain properties, including big box and junior box stores, commonly referred to as the "Dark Store" theory of value;

WHEREAS, the Tax Tribunal, on numerous occasions, has valued such properties through comparisons to sales of other big box or junior box stores that have "gone dark," i.e., have failed to produce retail sales due to their location in the market;

WHEREAS, the Tax Tribunal has also valued box stores by comparisons to sales of other box stores that were sold with a private deed restriction in place, which precluded the use of the sold box store for use as a box store;

WHEREAS, these Tax Tribunal decisions across the state have resulted in artificially reduced values for thriving box stores due to comparisons to stores that either failed or were sold for some other secondary purpose, such as redevelopment for some other commercial use;

WHEREAS, the City of Escanaba has lost revenue and incurred legal expenses as a result of "Dark Store" property tax appeals, which has impaired the ability to provide services to its residents;

WHEREAS, the legislation seeks to remedy these issues by requiring the Tax Tribunal to assure that box stores are valued according to their “highest and best use” by excluding the use of sale comparables sold with private restrictions in place if those restrictions substantially impair the comparable’s highest and best use as compared to the property being valued; and

WHEREAS, the legislation seeks to require the use of sale comparables that are adequately comparable to the property being valued.

NOW, THEREFORE, the City of Escanaba, Delta County, Michigan, resolves as follows:

1. The City Council hereby supports the legislation introduced by Sen. McBroom, Senate Bill Nos. _____ and _____.

2. Any resolutions that are inconsistent with this Resolution are hereby repealed to the extent necessary to give this Resolution full force and effect.

Upon a call of the roll, the vote was as follows:

Ayes: DuBord, Moore, Beauchamp, Mayor Ammel

Nays: None

Absent: Flath

RESOLUTION DECLARED ADOPTED.

NB-3 Approval – Resolution Supporting Senate Bill No. 20 – City Manager.

Administration requested City Council consideration of a resolution supporting Senate Bill 20.

NB-3 By Council Member DuBord, seconded by Council Member Beauchamp:

CITY OF ESCANABA

RESOLUTION NO. 23-04

RESOLUTION TO SUPPORT LEGISLATION

WHEREAS, Representative of Michigan’s 38th Senate District, Senator Ed McBroom, seeks to introduce two bills, Senate Bill Nos. _____, and _____, intended to respond to criticisms of the Michigan Tax Tribunal and to create County Boards of Revision with jurisdiction over certain property tax disputes;

WHEREAS, the Tax Tribunal is comprised of a chairperson and four members. The members include an appraiser member, an assessor member, an attorney member and an at-large member. The purpose of these different members was to

ensure that appropriate expertise (in the fields of assessing, appraising, and the law) was applied to all Tribunal cases and proceedings. Each member is appointed by the Governor;

WHEREAS, due to an increase in the Tribunal's case load, a single member now presides over a case instead of a panel of all members;

WHEREAS, the Tribunal's current operations have resulted in criticisms, not limited to delays in case processing, a growing backlog of cases, a lack of transparency in decision-making, and members presiding over complex cases without any legal training or experience in property tax matters;

WHEREAS, Senate Bill Nos. ____ and ____ provide for the creation of County Boards of Revision, which would obtain jurisdiction over larger, more complex property tax matters that involve over \$1.2 million in dispute;

WHEREAS, Senate Bill Nos. ____ and ____ are intended to provide a neutral and competent adjudicatory process that is driven by standard legal processes, overseen by experienced legal professionals and tax professionals certified by the Michigan State Tax Commission;

WHEREAS, County Boards of Revision provide for greater input from local units on property tax matters and the ultimate review of County Board of Revision decisions by judges in local County Circuit Courts.

NOW, THEREFORE, the City of Escanaba, Delta County, Michigan, resolves as follows:

1. The City Council hereby supports the legislation introduced by Sen. McBroom, Senate Bill Nos. ____ and ____.
2. Any resolutions that are inconsistent with this Resolution are hereby repealed to the extent necessary to give this Resolution full force and effect.

Upon a call of the roll, the vote was as follows:

Ayes: DuBord, Beauchamp, Moore, Mayor Ammel
Nays: None
Absent: Flath

RESOLUTION DECLARED ADOPTED.

APPOINTMENT(S) TO CITY BOARDS, COMMISSIONS, AND COMMITTEES – None

BOARD, COMMISSION, AND COMMITTEE REPORTS

Council Members reviewed City Board and Commission meetings each attended

since the last City Council Meeting.

GENERAL PUBLIC COMMENT

- Kelli Van Ginhoven – discussed Governor Whitmer announcement of Community of Revitalization Projects across Michigan.
- Craig Woerpel – discussed “Restaurant Week” promotion in Escanaba’s downtown district.

ANNOUNCEMENTS

- Restaurant Week February 27th – March 3rd.
- Special Thank you to Officer Dag (K9 unit) is retiring from Escanaba Public Safety.

DuBord moved, Moore seconded, to go into recess, **CARRIED UNANIMOUSLY.**

The time was 7:15 p.m.

DuBord moved, Moore seconded, to come back in session, **CARRIED UNANIMOUSLY.**

The time was 7:19 p.m.

NB-4 Closed Session – Legal Opinion – Foreclosure Property – HR Director/Treasurer.

Administration requested Council go into a closed session to consider material exempt from discussion or disclosure by statute under MCL 15.268(h), identified as an attorney-client privileged written legal opinion.

DuBord moved, Moore seconded, to go into Closed Session.

Upon a call of the roll, the vote was as follows:

Ayes: DuBord, Moore, Beauchamp, Mayor Ammel

Nays: None

Absent: Flath

MOTION CARRIED.

The time was 7:20 p.m.

DuBord moved, Moore seconded, to come back into Open Session.

Upon a call of the roll, the vote was as follows:

Ayes: DuBord, Moore, Beauchamp, Mayor Ammel
Nays: None
Absent: Flath

MOTION CARRIED.

The time was 7:42 p.m.

No Council actions were taken during closed session.

NB-4 DuBord moved, Moore seconded, to allow City Administration to continue to work with the City Attorney pertaining to the closed session discussion of foreclosure of property.

Upon a call of the roll, the vote was as follows:

Ayes: DuBord, Moore, Beauchamp, Mayor Ammel
Nays: None
Absent: Flath

MOTION CARRIED.

Hearing no further public comment DuBord moved, the Council adjourned at 7:43 p.m.

Respectfully submitted,

Phil DeMay
City Clerk

Approved: _____
Mark Ammel, Mayor