

Election – less than 30 days until the General Election. For City Council, three of the Districts (3<sup>rd</sup>, 5<sup>th</sup>, and 7<sup>th</sup>) have filed candidates who are not opposed, Roger Zielinski in the 3<sup>rd</sup>, myself (James W Smith) in the 5<sup>th</sup>, and Erin Martin Pontiac in the 7<sup>th</sup>. I encourage you to vote for Roger and Erin, and would appreciate your vote for me as a candidate. The 1<sup>st</sup> District has no candidate on the ballot, but has a filed write-in candidate, Dale R. Cooper. You will need to write Dale’s name on the ballot and darken the circle to cast a vote for him. I urge you to vote for Dale.

While candidates live in various districts of the city, they represent the city “at large.” I’ve worked with Roger for nearly two years and found him to be tireless in research and attention to detail – seeking input from citizens and taking action in their behalf. His only absence was due to the death of his brother and he is very involved with committee and commission meeting. Erin was appointed to replace Eric Gustad and has proven to be capable and prepared for meetings. Erin was vice-chair of the Parks Commission and previously served on the Board of Review. Dale was concerned that no one would run for the seat being vacated by Mayor Kenny and filed to run as a write-in candidate. Many people know Dale from his long tenure as a letter carrier with the Post Office and he is interested in being a voice of the citizens on council – I urge you to vote for Dale. I want your vote to continue a change in direction for the city; to insist on a sustainable budget (as opposed to the one recently passed that has unsustainable stated five times), to improve and keep services we depend upon, to get more funding for our streets, and work toward making Manistee a great place to Live, Work, and Play.

Development – Edgewater has pre-sold three of the condo units and is advancing the construction schedule of the North Channel so occupancy can take place late the 1<sup>st</sup> quarter of 2017 and operation of the brewing company hopefully starting in May. There is planning for an 11 unit “cottage condo” development on the former Chippewa Hotel site. This is in addition to the restart at Joslin Cove (42 units planned) and an expansion at Green Acres (with three more phased also planned).

A presentation was given at the October 11<sup>th</sup> Council Work Session for the former Glik building site. A developer is proposing approximately 45 apartment units for the site. The apartments would be one and two bedroom units, with washer/dryer, dishwasher, and other features. The proposal hinges on a study being delivered on need and financial viability – and a lot of coordination between HUD, MSHDA, and “partnership” with the City (tax abatements, zoning variances, easements, and historic district concessions). It would also require 40% of the units to be “low income” to qualify for loans and credits. The building would be demolished to the base and constructed to 3 levels. The current 13,000 square feet of retail space would be reduced to 2,600 square feet. The developer claims 26 covered parking spaces and 24 uncovered and counts 18 River Street spaces for unit parking – I find 50 spaces to be overly optimistic and pointed out that winter snow removal results in “no parking” after 10:00 PM, as well as the ordinance “2-hour parking limit” on River Street. It is an estimated \$8,000,000 project. I question the impact on downtown businesses in the area and the need for low income housing (with the requirement for occupants to be at or below 60% of median income as defined by HUD, for an 18-year period, on prime downtown property. The developer states they are “targeted rent” units, but the 60% and below is MSHDA designated “low income.” We have 41 condo and apartment units between Chippewa, Edgewater, and North Channel now proposed or in construction in addition the 42 units at Joslin Cove – the majority of which are planned to be above the \$200,000 price range (the apartments as designated “affordable,” targeted to individuals or families at 80% or below the median income level). I’d hope the public will be active in voicing their opinions on this project at Public Hearings and through City Council members as it evolves through the process for approval/disapproval. It’s in the

early “discussion” stage now (been in discussion with City staff for approximately 3 months). There is a goal of having 100% mixed retail/residential occupancy downtown, but that has traditionally applied to rental units over existing retail space, not converting 13,000 square feet of retail to 39,000 feet with retail only accounting for 15% of the space.

Downtown Liquor Sales – was approved for TJ’s Pub along their building on Maple Street. Other communities have addressed this trend with ordinance regulation to establish guidelines and make sure there is appropriate unobstructed pedestrian access to city sidewalks (American Disabilities Act compliance) and that the areas are clearly identified for service so open intoxicants are not being consumed outside of the area (Michigan law). There is a balance to be achieved in providing public service and not encroaching on pedestrian travel on sidewalks downtown – tables and chairs for some businesses now extend well out from store fronts in some instances. I’d like to see a coordinated effort between the DDA and City Council to set guidelines that ensure fairness, access, and successful business growth to all concerned. The sidewalks and parking spaces are City assets.

Strategic Planning is on a future work session for late November and is an important element is beginning the budget process for the 2017 – 2018 budget year. The audit for 2015 – 2016 is being reviewed by the Finance Department and is not yet available to council or posted on the City website. After the 2016 – 2017 budget having the word “unsustainable” used 5 times in the document, one of the objectives I want to see is a “sustainable” budget going forward. We’ll have to look closely at what adjustments need to be made in appropriations and spending to meet that goal. Services to our community are important. Current retirement costs are rising and estimated to increase at an alarming rate, projections on a drawdown on reserve funds to make up for a shortfall in revenue growth are a real concern (fastest rising expense in the budget projections). We have incurred significant long term debt that is paid for from the Capitol Improvement Fund (over 80% obligated for the next 8 years now) and declining revenue from the City Gas Well and investment return are a concern – we make lack funds from this source to meet debt payments in the future under current spending rules. Our Motor Pool expenses this year reflected 61% for debt on previously purchased assets and financing of additional assets – we need to be more focused on “pay as you go” in the future. I would hope we take a proactive approach to some of these issues rather than wait for a reactive response to being overwhelmed. None of us would feel comfortable with a situation of personal expenses rising faster than income, and increased reliance on savings and debt to meet our daily lifestyles and I feel the same about City finances.

Thank you for your support and comments. I remain optimistic for the future of Manistee and welcome the opportunity to serve the citizens to achieve the goal of making Manistee a great place to Live, Work, and Play.