



## MINUTES

### Regular Meeting of Newaygo City Council September 11, 2017

#### CALL TO ORDER

Mayor Fedell called the meeting to order at 7:00 PM at City Hall located at 28 N. State Road, Newaygo MI 49337.

Presiding officer: Mayor Fedell

Secretary: Clerk, Kim Biegalle

Roll Call: Present: Day, Fedell, Hikade, Johnson, Palmiter, Santana, Walerczyk  
Absent:

Motion by Hikade, support by Walerczyk to approve the agenda as presented. AIF/MC

Audience: Chief Andres, Sgt. Walerczyk, Ron Wight, Kim Goodin, Mike Willett, Nick & Krista Looman, Nola Taye, Roger Ederer, Lee Black, Brooke Schaffer, Sandy Kausch

#### PUBLIC COMMENTS

Mike Willett, 28 Post St. read from some personal notes. Has many concerns about Wring BioPharma, LLC, the business who wants to open a medical marihuana growing and processing plant in the industrial park. Gave some information on research he has found on the internet regarding the possible owners/developers of the business. He hopes Council will look into the issues he has found and ask a lot of questions.

#### CONSENT AGENDA

Motion by Palmiter, support by Santana to approve the Consent Agenda which includes the regular council minutes from 08/14/17 and accounts payable of \$565.94, \$227,868.00, \$20,646.63, \$63,531.96, \$18,411.43, \$172,395.69, \$659,392.90, \$35,200.59, \$1,100,884.03, \$29.44, \$2,266.04, \$1,007.39 and \$11.60. Roll Call: Yeas: Day, Fedell, Hikade, Johnson, Palmiter, Santana, Walerczyk Absent: None Nay: None. CARRIED

#### RESERVED TIME

Motion by Santana, support by Johnson at 7:07 pm to open public hearing to discuss and take comment on the proposed application for a CDBG Façade grant. AIF/MC Kim Goodin, who has been working on this grant, was present to give the Council information. She stated that the City of Newaygo proposes to use up to \$625,622 of Community Development Block Grant (CDBG) dollars and approximately \$850,000 of private contributions to renovate two buildings in the downtown. The first building is located at 41 State Road and they plan to invest approximately \$600,000 of private dollars along with requesting approximately \$419,504 from CDBG program through Michigan Economic Development Corporation (MEDC). Activities at this location will include: HVAC upgrades/replacements, electrical work, cosmetic work, fire escape and protection, roof structure, installing an elevator, new doors, new windows and extensive interior and exterior brick work. The second building is located at 34 State Road and they plan to invest approximately \$250,000 of private dollars along with requesting approximately \$206,118 from CDBG program through MEDC. Activities at this location will include repairing/upgrading the boiler and condenser, along with the façade which will be given a new life with new large storefront windows, new doors, cornice and column work, along with extensive brick work. No tenants will be displaced during this project. No further questions or comments from Council or the audience. Motion by Walerczyk, support by Palmiter at 7:15 pm to close public hearing. AIF/MC

#### COMMITTEE REPORTS

Schneider was asked by Scott Swinehart of the Chamber to give a couple updates. The final strategic planning meeting will be held on Thursday, September 14<sup>th</sup> and the Chamber's new mission statement is now on their website. The

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Logging Fest was a huge success and the Trail Town event will be the end of the month in White Cloud. Chief Andres spoke up as well and stated that the downtown businesses had the best Saturday ever during the Logging Fest, everything went very well including the parade and the City was extremely busy. Schneider mentioned the need for tourist signage and stated that the City needs a champion to head up that project, work with MDOT and come up with a design.

### **MANAGERS REPORT**

Schneider stated Sable Homes has a purchase agreement for River Hills Court and will be building entry level homes within that sub development. They specialize in these kinds of developments and have four to five different floor plans they build. He also went over a letter the City received from AT&T regarding the lease they currently have with the City and AT&T will be offering a new proposal with lower rent and an extended lease.

### **DEPARTMENT REPORTS**

Ron Wight, DPW Superintendent, stated Mundy Avenue will be getting paved next week.

### **UNFINISHED BUSINESS**

#### **NEW BUSINESS**

Motion by Johnson, support by Hikade to approve the contract with MC Sandblasting to do the painting, logo and other repairs on the water tower. Roll Call: Yeas: Day, Fedell, Hikade, Johnson, Palmiter, Santana, Walerczyk Absent: None Nay: None. CARRIED Schneider referred to the letter in Council packets from Dixon Engineering which gives the names of the two lowest bidders. MC Sandblasting was the previous painter of the water tower years ago and is local, both companies come highly recommend and are very qualified per Dixon.

Motion by Day, support by Palmiter to approve the inspection agreement with Dixon Engineering. This agreement gives Dixon the ability to handle the contract with MC Sandblasting and do the inspections of the water tower when all the work is completed at a cost of \$10,000. Roll Call: Yeas: Day, Fedell, Hikade, Johnson, Palmiter, Santana, Walerczyk Absent: None Nay: None. CARRIED

Motion by Hikade, support by Palmiter to approve Resolution 17-25 which approves the CDBG Façade Grant application and gives the City Manager and/or Mayor/Clerk authorization to sign the grant agreement, all grant related documents and approve pay requests. AIF/MC

Motion by Johnson, support by Day to approve the CDBG Certified Grant Administrator Contract agreement with Hager Consulting, LLC. This position is a requirement of the grant and paid for by the State. Roll Call: Yeas: Day, Fedell, Hikade, Johnson, Palmiter, Santana, Walerczyk Absent: None Nay: None. CARRIED

Motion by Johnson, support by Fedell to adopt the current version of Ordinance 17-01 which will replace and supersede the version adopted on August 14, 2017. Roll Call: Yeas: Day, Fedell, Hikade, Johnson, Walerczyk Absent: None Nay: Santana, Palmiter. CARRIED This ordinance was brought back to Council as there was a request to add to the "License Revocation" section regarding Federal/State grants as well as some minor changes. Hikade had some questions and made a motion to wait 30 days to get answers and then move forward but motion failed as there was no second and therefore motion reverted to original motion by Johnson. Fedell explained that this already passed last month but just needed to add a couple important items; this establishes the police power/regulations. Schneider noted that the attorney has looked everything over and this revised ordinance gives the City more protection.

Motion by Johnson, support by Fedell to approve Ordinance 17-03 regarding zoning ordinance amendments to allow medical marihuana facilities under industrial zoning. Roll Call: Yeas: Day, Fedell, Hikade, Johnson, Walerczyk Absent: None Nay: Palmiter, Santana. CARRIED Fedell explained that this went to the Planning Commission who recommended it to Council for final approval.

Motion by Johnson, support by Walerczyk to approve the bid of \$125,000 to Wring BioPharma, LLC to purchase the Industrial Park land (8.33 acres). Roll Call: Yeas: Day, Fedell, Hikade, Johnson, Walerczyk Absent: None Nay: Palmiter, Santana. CARRIED They were the only company to submit a bid out of four possible entities which showed interest in the property and who were also notified of the bidding process. The bid packet contained a lot of information on the business and how they will produce their products. Palmiter had questions regarding the growing process and if the property had been appraised; Santana also had some questions regarding dispensaries and the company in general. Fedell stated that the company offered the going rate for industrial property in the Newaygo County area and stated that this company is aware the City is not allowing provisioning centers/dispensaries.

Motion by Johnson, support by Walerczyk to approve Resolution 17-26 which authorizes the sale/transfer of certain real property (vacant land in the Industrial Park) along with the attached purchase agreement to sell the land in the Industrial Park to Wring BioPharma, LLC. Roll Call: Yeas: Day, Fedell, Hikade, Johnson, Walerczyk Absent: None Nay: Palmiter, Santana CARRIED Santana asked who the business was owned by; Fedell stated that Wring BioPharma, LLC is the business entity formed for this project and is the group doing this business.

**PUBLIC COMMENTS**

Roger Ederer, 136 Adams St., stated his concern has always been for the City’s liability with regards to this facility. Doesn’t want the City or City staff to be liable. Has concerns over what the Attorney General will do in the future. Fedell stated that the City will cooperate with the Federal government and their decisions; the City is protected.

Krista Looman, 67 Water St., spoke regarding the water tower and it being repainted; City is looking at a new marketing logo and was wondering if that could be incorporated. Schneider stated the design/logo is one from the school and she could contact Morgan Heinzman to discuss her ideas.

Lee Black, 573 Middle St., has lived here 50+ years and never thought the City would spend this much time on the subject of marihuana. He is on the Planning Commission and has a right to vote no and be respected; it’s against federal law. Has some concerns about Wring BioPharma; its address/location in Kalamazoo and not seeing any representation from any of them at these meetings.

Nola Taye, 171 Wood St., stated the fireworks store is way more dangerous than a medical marihuana processing plant and stated more people are addicted to pain killers then marihuana.

Nick Looman, 67 Water St., stated that Wring BioPharma, LLC has been working with The Right Place out of Grand Rapids and was then directed to the NEDO Board. Jon Bumstead represents their company.

Chief Andres stated that everyone is working hard to do the right thing and this is a difficult topic; everyone is being diligent in their decisions.

**COUNCIL MEMBER COMMENTS**

Johnson asked if Faulkner was working on this new logo for the City.

Santana looking forward to making Newaygo more user friendly; get more street lighting on certain streets at night and work on more housing to keep and bring people to Newaygo.

Day stated that before Wring BioPharma, LLC can do any excavating in the Industrial Park, they need to bring site plans to Planning for approval. Complimented Digital Works on their success and seems to be working.

Palmiter discussed the word “progressive” that has been used by the audience the last few meetings and that those who make negative comments do not know him. Problem is not obtaining more businesses, it’s obtaining more housing. He will honor how people vote.

Schneider clarified that the land sale resolution and purchase agreement are held for 20 days then will need to be adopted at the next Council meeting. Stated that everyone is on the same team and cares about the community even though it’s expressed in different ways; need to respect each other’s votes and opinions.

Fedell expanded on some of his comments throughout the meeting. He respects everyone for their individual decisions. Recreational and medical marihuana are two different issues and they need to be separated. Everyone deserves respect; thanked everyone for coming to the meeting.

Motion by Day, supported by Santana to adjourn the meeting. AIF/MC

Meeting adjourned at 8:58 PM.

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Mayor – Ed Fedell

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Clerk – Kim Biegalle