



**CITY OF ALLEGAN
SPECIAL CITY COUNCIL MEETING**

**Monday, June 29, 2015 7:00 PM
Griswold Auditorium - 401 Hubbard Street
Allegan MI 49010**

MINUTES

Call to Order Mayor Leverence called the special meeting to order at 7:00 PM.

Roll Call

Present: Gratz, Ingalsbee, McDaniel, McKenzie, Tripp, Zeter, Mayor Leverence

Absent: None

Others

Present: City Manager R. Hillard, Deputy City Clerk L. Vander Clay

Old Business/155 Brady Street

Greg and Amber Paggeot presented their restaurant proposal for 155 Brady Street. Mr. Paggeot explained that his proposal contains three phases. He stated that Phase 2 would create a banquet facility and Phase 3 would be apartments. He projects to employ 20-25 people; purchasing and using local food as much as possible. He also stated that he wants outdoor seating and a deck on the main level for outdoor dining; however trees would need to be trimmed. He would also be applying for a liquor license. Mr. Paggeot presented in the proposal an investment of \$500,000.

Mayor Leverence asked about his funding sources. Mr. Paggeot stated he has no other sources other than what is contained within his proposal.

City Manager R. Hillard stated that the liquor license request would have to be generated by Mr. Paggeot to the State Liquor Control Commission; however the City Council can recommend approval.

Councilmember McDaniel asked what the time frame is for opening. Mr. Paggeot stated he has spoken with Chemical Bank, but hasn't applied for any loans as of today. He would anticipate an early spring 2016 opening.

Mayor Leverence asked Blair Bates from Building Restoration about the upgrades needed to a sprinkling system in the building. He stated that improvement is covered within Mr. Paggeot's budget.

Kurt Elliott, Gene Pigatti from Focal 5 Group presented the proposal for the redevelopment of 155 Brady Street.

Mr. Elliott explained that Hartman-Ellis Insurance desires to expand and is seeking to acquire 155 Brady Street to accomplish this. The proposal includes renovating all three levels. The upper level would be residential student housing for the proposed skilled trades school or executive apartments; the main level would house the Hartman-Ellis Corporate Offices and the lower level would be the actual classrooms for the trade school. Ms. Kd Lake, owner of Hartman-Ellis, indicated in the proposal that her investment would be \$1,000,000.00 into downtown Allegan.

Mr. Elliott also explained that Ms. Lake would like to access the City's façade program along with securing any local, state and federal funds. He stated that he has verbal support from six businesses regarding the proposed skilled trade school.

Mr. Pigatti stated that Allegan is ready and this location would be ideal for this opportunity.

Councilmember Zeter asked who would own the building. Kd Lake responded that she will be the owner and she will be renovating all levels. She wants to help the community by developing this trade school program and bringing people into the downtown.

Councilmember McKenzie questioned if only four apartments would be enough. Mr. Elliott explained that different vacant buildings are being looked at for more student housing because the goal is to have all students living in downtown Allegan. Councilmember McKenzie commented that this proposed trade school seems a lot like the opportunities that the Vo-tech offers. Mr. Elliott explained this particular program would be offered to individuals 23 years and up and would be a 6-9 month commitment.

Mayor Leverence asked about a food service program for the students. Mr. Pigatti stated there would be options and/or by the participating businesses who could sponsor students. She also asked about the time frame for this project. Mr. Pigatti responded that a non-profit organization needs to be set up and from there 3-6 months for the program to be up and running. Ms. Lake would like to move as soon as possible. Mayor Leverence also asked about reaching out to other vacant building owners. Mr. Pigatti stated that yes they would like to have meetings with individual owners. Regarding the City's façade program, Mayor Leverence stated that the City Council can't make that decision; the building owner would need to apply directly to the DDA.

Councilmember Ingalsbee stated that she doesn't want a college/trade school in our downtown.

Councilmember McKenzie wants to find buildings for both of these proposals. This downtown needs life and people on the streets.

Councilmember Zeter asked Mr. Paggeot his purchase price of the building. He responded \$60,000.

Councilmember Gratz sees a value in both proposals. She loves Ms. Lake's proposal because it has the potential to bring a lot of people into the downtown and there is a definite need to skilled trade workers. She feels the restaurant would be a better fit in a different building.

Mayor Leverage is not in favor of having another office in the downtown.

Councilmember Ingalsbee commented that a restaurant is needed.

Councilmember McDaniel stated you need a reason to come downtown.

Councilmember Ingalsbee, supported by Councilmember Zeter, made a motion to support the restaurant proposal at the location of 155 Brady Street. She encouraged the "trade school" to locate elsewhere in Allegan. A roll call vote was taken: Gratz-no; Ingalsbee-yes; McDaniel-no; McKenzie-no; Tripp-no; Zeter-yes; Mayor Leverage-yes. Motion failed 3-4.

Councilmember Gratz, supported by Councilmember McDaniel, made a motion to support the insurance company's proposal at the location of 155 Brady Street. A roll call was taken vote: Gratz-yes; Ingalsbee-no; McDaniel-yes; McKenzie-yes; Tripp-yes; Zeter-no; Mayor Leverage-no. Motion passed 4-3

However, due to not receiving a super majority affirmative vote of the City Council, the building as this point cannot be sold to Ms. Lake.

Mr. Pigatti stated he and Mr. Elliott are willing to put the time into working with the City Manager.

City Manager R. Hillard indicated he is would work with Mr. Elliott, Mr. Pigatti and Ms. Lake, based on the majority vote of City Council. Any agreement would need to come before City Council at a later date for approval.

Adjournment

The meeting was adjourned at 8:37 PM.

Respectfully submitted,

**Lori K. Vander Clay
Deputy City Clerk**