



**AGENDA**  
**Committee of the Whole**  
**Monday, March 21, 2016 – 5:30 p.m.**  
**City Council Chambers, City Hall 10<sup>th</sup> Floor**

Councilmember Judi Brown Clarke, Chair  
Councilmember Jessica Yorke, Vice Chair

1. **Call to Order**
2. **Roll Call**
3. **Approval of Minutes:**
  - February 29, 2016
  - March 14, 2016
4. **Public Comment on Agenda Items**
5. **Discussion/Action:**
  - A.) Set Public Hearing - ACT-16-2015 ; Michigan Natural Resources Trust Fund Grant Application for the acquisition of Boat Club Property
  - B.) PILOT Programs  
(FHT/David Hollister; MSHDA, Robert Johnson, Cinnaire)
  - C.) City Attorney Status and Future of City Attorney
6. **Other**
7. **Adjourn**

The City of Lansing's Mission is to ensure quality of life by:

- I. Promoting a vibrant, safe, healthy and inclusive community that provides opportunity for personal and economic growth for residents, businesses and visitors
- II. Securing short and long term financial stability through prudent management of city resources.
- III. Providing reliable, efficient and quality services that are responsive to the needs of residents and businesses.
- IV. Adopting sustainable practices that protect and enhance our cultural, natural and historical resources.
- V. Facilitating regional collaboration and connecting communities



**MINUTES**  
**Committee of the Whole**  
**Monday, March 21, 2016 @ 5:30 p.m.**  
**City Council Chamber**

**CALL TO ORDER**

The meeting was called to order at 5:30 p.m.

**PRESENT**

Councilmember Brown Clarke  
Councilmember Jessica Yorke  
Councilmember Patricia Spitzley  
Councilmember Adam Hussain  
Councilmember Kathie Dunbar- arrived at 5:31 p.m.  
Councilmember Carol Wood  
Councilmember Jody Washington  
Councilmember Tina Houghton

**OTHERS PRESENT**

Sherrie Boak, Council Staff  
Joseph Abood, Deputy City Attorney  
Randy Hannan, Mayor Executive Assistant  
Mary Riley, Human Resource Director  
Chris Swope, City Clerk  
Jim DeLine, Council Internal Auditor  
Kevin Elsenheimer, MSHDA Executive Director  
David Hollister, Financial Health Team  
Eric Scorsone, Financial Health Team  
Tom Edmiston, Cinnaire  
Robert Johnson, Planning & Neighborhood Development Director  
Brett Kaschinske, Parks and Recreation Director  
Kathie Raffone  
Julie Powers, GLHC  
Carolyn Condell

**Approval of Minutes**

Action moved to the next meeting on the minutes from February 29, 2016 and March 14, 2016.

**Public Comment**

No Public Comment

## **DISCUSSION/ACTION**

### **Set Public Hearing - ACT-16-2015 ; Michigan Natural Resources Trust Fund Grant Application for the acquisition of Boat Club Property**

Council President Brown Clarke outlined the timeline and with the process, however it was referred but now requires action to set the public hearing.

Mr. Kaschinske outlined the property on the river front owned by the Boat Club and attached to Fine Park with 35 acres and Hunters Ridge is 28 acres. With the addition of this there would be over 100 acres along the river from Fine Park to Hunters Ridge. The grants have been favorable to acquisition property, 25% paid by for by the City, the balance by the Grant. The Boat Club is interested in selling the property to the City as park land. Some requirements of the grant are a public hearing, with the grant deadline of April 1<sup>st</sup>. The Park Board has approved and it does meet the Park and Recreation Master Plan.

Council Member Wood asked if the Administration had thoughts of selling part of the area for development in the past.

Council Member Washington stepped away from the meeting at 5:36 p.m.

Mr. Kaschinske confirmed it had not been discussed for this area. Hunter Ridge was purchased with a trust fund grant and once it is purchased there are limitations, making Hunter Ridge a dedicate park. Council Member Wood asked if the resolution should include a statement of the dedicated park. Mr. Kaschinske could not confirm but would have to look at the resolution in 1981 to see how it was addressed on how it was dedicated. Council Member Wood stated her confirmation she had no issue with setting the hearing, but want to make sure if it needs to be added it is updated with the Council by the March 28<sup>th</sup> hearing and adoption.

Council Member Washington returned to the meeting at 5:39 p.m.

Council Member Houghton asked there will be any maintenance and clearing for paths. Mr. Kaschinske clearing will occur for biking paths where they need to go over wetlands. There will be no bridge but something similar to a non- motorized river trail. Council Member Brown Clarke asked if the trails would be rough or based for handicap access. Mr. Kaschinske confirmed it would not be a mulch path and will include a picnic area at the river at Fulton Park. All boat traffic will enter west of Waverly.

Council Member Dunbar asked about the water trail systems. Mr. Kaschinske agreed that they are having discussion with groups all over the state on making it a water trail.

**MOTION BY COUNCIL MEMBER YORKO TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR MARCH 28, 2016. MOTION CARRIED 8-0.**

Ms. Raffone spoke in opposition to the agreement signed with the City Attorney. Ms. Raffone also submitted photos on nuisances in the City.

## **PILOT Programs**

Council President Brown Clarke introduced the guest speakers from the FHT and MSHDA, and clarified that the topic was clarification on the last resolution that was approved on the current PILOT policy. The plan is to get guidance on how a PILOT works with the blue print of the City and any connections. Mr. Elsenheimer with MSHDA will outline the PILOT changes and what their criteria is, and FHT will discuss the impact.

Mr. Scorsone stated that in the terms of legacy cost, in the short term the City has budget stability, but the City should prepare for economic downturn. Mr. Scorsone stated his opinion that PILOT's are broad but good to have. The question is how to implement properly. Mr. Scorsone offered no further information stating he had not had time to do any investigation. Mr. Hollister added that the agenda for the FHT is to put together logic for the budget and make sure the Master Plan is consistent with the capital outlay which is then consistent with the multiyear budgeting. Mr. Hollister opinion was that Council should look at PILOT's to make sure they are consistent with Capital Outlay, and use as a legitimate tool.

Council Member Washington distributed a list of housing establishments in the City, stating her belief that there is already so much property that the City has no revenue from. The PILOT's need to be spread out not just in the City, with low income housing there is no income tax either. Council Member Washington asked Council in moving forward to consider asking themselves to consider not against poverty, but against the City going broke. If Council looks forward to more reduction, where are they getting the revenue. Council Member Washington added her opinion that the City needs market rate and high end single family homes, there needs to be a regional discussion. If the City approves the PILOTS, they only get 4% of what is actually collected with a PILOT. The City does not have the ability to continue, and it is not just the PILOT's but every other tax breaks they don't get income from.

Council Member Hussain stated to the rest of Council that they need to look at where the PILOT's are, because they are driving down to poverty and where predatory establishments go. With the developments Council needs to separate the problems.

Mr. Johnson spoke briefly about the PILOT policy, the preference for the CDBG areas, and under the policy there was housing preference for conversions and rehabs. There needs to be more thought to the PILOT and value of the PILOT. The City does not have a zoning district that is PILOT or low income, and they cannot question under the zoning ordinance based on expense or affordability. Economic development starts with affordable housing, and he agreed there has been a concentration of affordable housing on the south side which was not well thought out. The City needs to have a policy for diversity. Council President Brown Clarke reminded the Committee and guests that the meeting was to bring all the information all at the same time to balance the information but no decisions.

Council Member Yorke asked Mr. Johnson for the PILOT map he presented to the Committee on Development and Planning and Council staff printed the map and distributed.

Mr. Edmiston, on behalf of Cinnarie, stated his view of the PILOT as making credits available to bring equity into the projects, so the developer does not have to charge high rents. Mr. Edmiston belief is that this is the front end of making the development affordable and private investment. Mr. Edmiston distributed example outlining housing tax credits that were awarded in the tri-county area in 2010-2015 and two development in the City of Lansing. In this time frame the tri-county area received 11, and there were 42 in the State. Of the 11 in the tri-county area, two were in Lansing, one did receive a PILOT before 2010 and one did not request a PILOT.

Council Member Yorke referenced the map submitted by Mr. Johnson and the number of PILOTS. Mr. Johnson had to clarify that the map reflected PILOTS, but not all were residential PILOTS. Council Member Yorke asked about the status of those that had reached their sunset date. Mr. Johnson confirmed that 15 were active out of the 30 that were listed, so the upper 20 are active. Council Member Wood referenced the column on the spreadsheet that noted the sunset date, where some sunset in 2029, 2035 and 2032, which are not 10 year PILOTS but 35+ years. There is a question of when look at the budget, knowing Council is

getting a limited amount of revenue particularly the majority for 4%. Council Member Wood then asked Mr. Edmiston if he was once involved with Great Lakes Capital Fund and if they were still involved with Ferris Development PILOTS. Mr. Edmiston confirmed both questions. Council Member Wood pointed out Ferris Developments that still owe the City payments. Mr. Edmiston stated he would check on the properties.

Council Member Washington stated her view that when Council goes forward they have to report a market study because currently all the talk is about apartments. Her view is that the City is lacking in good single family homes. As the City gets developments the City then gets world class education and so they also need to reserve property for good single family homes.

Council Member Hussain added to the conversation that Council also needs to look at the single family market to bring in young families supporting the neighborhoods out of the downtown area. Mr. Hussain has begun discussions with LEAP and FHT on how to start to attract good businesses and neighborhoods outside of downtown.

Mr. Elsenheimer gave a brief overview of his experience as a municipal attorney, work in the State and recently as Executive Director of MSHDA. It was noted that this is a discussion common held all over the State, and the question is exactly how much low income is appropriate, what kind, what is helpful. MSHDA is not an entity that will come to the City and tell them they must engage in a PILOT to result in MSHDA funding for that project. MSHDA will not tell the City they have to have a PILOT policy and what it should be. Mr. Elsenheimer has seen generally a 30 year range for the sunset, but it is the City authority to put those terms in place. When MSHDA looks at applications, twice a year, and generally over the last couple years applications that have been successful have had their PILOT arrangements in place. For applicants to complete against other applications, they need to have some kind of PILOT resolved by the municipality. Not having one does not mean MSHDA wouldn't review or approve. Mr. Elsenheimer confirmed he had not seen an application himself in a year, however has veteran staff in his office if they had seen an application approved without a PILOT, and no one had. The process is competitive and oversubscribed. These tax credits are powerful, and provide equity and remove the risk from the developer from the projects. They wind up able to regenerate projects where the investments revitalize. Mr. Elsenheimer stated again MSHDA would not tell the City they have to engage in PILOTS or tell them at what level the City should. Every 2 years MSHDA does a review of the guide book that is used to compare applications around the State. The changes this year are minor, and will not impact the approach taken over time. MSHDA looks at walkability and transportation, and MSHDA expects those to continue with the new plan this summer. The currently discussed negotiations and decisions are in Councils control. Council President Brown Clarke asked if there is an advantage to anyone to have the City support when going to MSHDA.

Mr. Elsenheimer admitted MSHDA does not look at application if there is no support or approval from their municipality.

Council Member Spitzley asked Mr. Elsenheimer if during the application period is it true that a developer gets addition points in the application process if they have a PILOT form the City, which makes their application more competitive. Mr. Elsenheimer confirmed.

Council Member Wood noted that the City policy in 2003 should be reviewed so Council can determine what length of time a PILOT will be, so if they want a 50 year PILOT it is not initiated by MSHDA. Mr. Elsenheimer agreed that was accurate, because MSHDA has an allowance and statue to provide up to 50 years for a PILOT to be in place, but not all come in 50 years. The average Mr. Elsenheimer admitted he had seen was 30 years and he does see some with less time. MSHDA would want to see some generate with the period and the loan,

such as if 30 years with MSHDA it is important to see there is some kind of PILOT received for that same time. Council Member Wood asked if during the PILOT they have the opportunity to rescind. Mr. Elsenheimer deferred to the City Attorney, but stated that if it impacts MSHDA, the odds are good that once they enter into a relationship the relationship will continue, and MSHDA hopes the PILOT would continue.

Council Member Wood asked if there was anything to prohibit council from amounts of the PILOT 10% to 4%, and if the developer decided to have a portion market rate, would that prohibit council to add that in. Mr. Elsenheimer states that low income and single project is MSHDA policy.

Council Member Wood referenced a current PILOT proposal called Walnut Park, where the developer proposed it would not all be low income, but only 20% would be, so there is the assumption the balance would be market rate and full taxes. Mr. Elsenheimer stated he would work with the MSHDA attorney to work with Mr. Abood on clarification to discuss.

Council Member Washington reminded the group that Council is suppose to vote Monday, March 28<sup>th</sup>, and does not want Council to get harmed by just one entity but there is currently one project that is has a PILOT that says low income senior, except 10% market rate. She asked if the developer can't fill with seniors, do they have the opportunity under tax credits to fill with different a demographic such as low income or disability housing or does it have to remain senior housing. Mr. Elsenheimer stated it would depend on the application provided to MSHDA, and the application would specify a certain type of housing, and the credits and access to programs would be allowed based on that. Many project have multiple opportunities for use, and generally not unusual to see different types.

Mr. Edmiston joined into the discussion informing the Committee that when there is a tax credit, MSHDA enters into an agreement, and when it is not filled they can't rent to families. When that occurs they try to drop rents and offer incentives. MSHDA performs a study before tax credit application is submitted, and then a market study is done before the application is submitted to see if the income and age class will fill units.

Council Member Yorke also noted that MSHDA has age restrictions so there is no wiggle room, so developers have to go back to MSHDA for a change. Mr. Edmiston agreed, and noted there was a provision, but not seen often. Mr. Elsenheimer added that on occasion MSHDA does entertain modifications to the agreements, but it is rare and there is a high threshold. The Board generally does not want to change those agreements. MSHDA does want them to be successful. Council President Brown Clarke asked if there was documentation of any local review on the regulatory on the development. Mr. Elsenheimer could not speak to that. Council Member Yorke agreed with the earlier statement by Council Member Washington which was if a senior was not filled, then go to family. If is affordable senior housing then it needs to stay that way. When a developer talks about affordable and market rate, currently in the pending resolutions there are a number of units that are market rate. An opinion is needed for more single family housing and did the Design Lansing Plan call for a difference in the City, and that was asked of Mr. Johnson.

Council Member Dunbar asked Mr. Elsenheimer about the rating system for applications for a PILOT noting it is their understanding there is favor given if there is local support and that support could be the granting of a PILOT, therefore are there other forms of local support that would garner favor with MSHDA. Council could follow the master plan, a revitalization plan, or they could craft a resolution that says they support a PILOT. If Council did that does the PILOT still provide more points than a resolution of support. Mr. Elsenheimer noted that a resolution of support is different, it would not be points but a yes or no if they look at. There

are other opportunities for points. They may involve municipal support, but the clearest is the PILOT issue. Mr. Elsenheimer recommended that if Council is reviewing an ordinance for a general PILOT plan, they should review the application.

Council Member Dunbar asked what the PILOT means to MSHDA, and if the applicant has better relationship over the time they have the relationship with MSHDA. Mr. Elsenheimer stated it shows evidence of financial viability of the application which is important, less in taxes and which means they have more to do things that MSHDA wants done such as improvements, etc. This provides the evidence of support of the relationship between MSHDA, the developer and the community. Council Member Dunbar asked when MSHDA declares a senior housing development, is that for the length of the relationship between MDHDA. Mr. Elsenheimer confirmed it is the length of the relationship with the developer but when it ends it is often re-up. So a 15 year relationship could extent to 30 years, and at that point of extension there could be new capital. Every deal is different, every capital is different and some capital requires 15 years some 30 years. Council Member Dunbar asked Mr. Elsenheimer if he has ever seen PILOTS granted by a City that last longer than MSDHA. Mr. Elsenheimer could not speak to it, but would research it. Council member Dunbar then asked if Council can look at a PILOT time line with MSHDA before Council grants a PILOT. Mr. Elsenheimer informed the Council that the developer should be able to tell the Council based on what program they are asking for. Mr. Johnson stated that under ACT 346, it has to qualify or there is no tax abatement.

Council Member Washington noted her opinion that she wants something similar to East Village.

Council Member Yorke stepped away from the meeting at 7:14 p.m.  
Council Member Washington stepped away from the meeting at 7:15 p.m.

Mr. Abood reviewed the legal opinion of March 21, 2016.

Council Member Yorke and Washington returned to the meeting at 7:16 p.m.

Mr. Abood outlined the questions that were asked on February 29, 2016.

Council Member Houghton stepped away from the meeting at 7:17 p.m.

Mr. Abood cited from the March 21, 2016 opinion addressing the questions "May restrictions as to age or May Council place restriction on PILOT's based on age of eligible persons or based on percentages? May Council take action to limit PILOT's if Council determines it wishes to do so?" Answers for the first question: "No. Codification is a legal term that refers in the City of Lansing to legislation by ordinance and there is no current ordinance that restricts PILOT's by policy.

Council Member Dunbar stepped away from the meeting at 7:18 p.m.

#2. Yes and No. Council may limit PILOT's under the Michigan State Housing Development Authority Act (the "Act") provided that it does this by ordinance and provided that the ordinance states by "class" the housing projects that will not be included in the PILOT program. However, the Act does not define the classes to which the State refers.

Council Member Dunbar returned to the meeting at 7:20 p.m.

#3 Yes. As stated in the short answer to question 2, the Council may limit PILOT's prospectively in the City, provided it does so by ordinance and by identified class."

Mr. Abood went on to reflect on Resolution 0556 of 2002 which resulted in the City establishing a moratorium on PILOT's so Council could analyze. Resolution 328 of 2003 adopted the PILOT policy of June 2003 by reference, which was developed by the analyzation. The 2003 policy stated that new developments would be 10% PILOT's, and under 10% would be reviewed case by case utilizing the criteria. Over the years we the City have been lumping similar projects to HUD, senior and disability. Since HUD has defined a class the City has been consistent in using that class definition. In limiting by class Council deviated, and because of deviation they are no longer active. Mr. Abood concluded by stating that nothing precludes Council from creating a new policy consistent with the original and with the State law. A moratorium however should be less than 12 months, and 6 months could be considerate amount of time.

Council Member Houghton returned to the meeting at 7:25 p.m.

Mr. Abood acknowledged that he would discuss with MSDHA and will work expeditiously and have answer by March 28<sup>th</sup>. Council can consider PILOT's by preference to time frames. In 2003 0-9% were for only 10 years, and then they can re-evaluate. Any recommendation on that was deferred to Mr. Johnson. When looking at the policy Mr. Abood looked at three areas, the commencement which is what is to take place in a short time it is recommended a year from approval. Second topic is to make sure of the specific completion date, and that should be expeditiously. Council can tailor the ordinance that the completion date is the date of the certificate of occupancy. Final area is the want for specific time periods to run with the financial periods. When asking Council for 35-40 year PILOT that is specific in the ordinance, and if it commences in 2 years then add that to the years of the PILOT. The remainder of the 10% PILOT's do not seek approval unless the City creates an ordinance that eliminates that class. During the proposed moratorium the 10% PILOT's can be reviewed pursuant to criteria. Lastly it was concluded from the legal opinion that there should be checks and balances, and each PILOT should be done on a case by case basis with the appropriate time to review.

Council President Brown Clarke noted to Mr. Abood the information is time sensitive for next meeting on March 28<sup>th</sup> for discussion and help with the short term decision for projects that are proposed for hearings and action at the March 28<sup>th</sup> Council meeting. There is a second request to Law to review what is good for the long term policy.

Council Member Dunbar noted for the group that Council has never reviewed the policy since 2003, so every PILOT passed on the spreadsheet handout have all been 4% and 30 years, so no one paid attention to policy at the time. In the legal opinion the Act says 10% of PILOT is granted even without approval of the City. Council Member Dunbar asked the question to MSDHA representatives that if a developer pursues the PILOT at 10% would they lose points. Council President Brown Clarke suggested they would probably not score as high. Council Member Spitzley contributed to the discussion asking for a comprehensive review of the policy, and a return on the investment seeking out where are we within the City. She stated her concern that there are currently a number of PILOT's in front of Council now that need consideration and decisions. Council Member Spitzley has hopes there will be no moratorium on those that have currently had active public hearings, and Council will take the opportunity of the time between he April 1 MSHDA deadline and the October 1 MSHDA deadline to study, possibly have an independent study of experts in the field, and look at how PILOT's fair in the City. Council President Brown Clarke assured the Committee that the PILOT's that are in the queue will be looked at Monday, March 28<sup>th</sup>, then the Council will start on the policy to have in place by October when they will start to revisit PILOT applications.

Council Member Wood asked the question “what does Council need to do and know to make the decisions”. Questions that are still outstanding include “what PILOT’s at 4% are up for a vote and what ones have the City granted over the years, what ones are with market rate, lastly she asked for a copy of the MSHDA application of what the developers are applying for so that Council does not extend a PILOT for longer than the MSHDA application PILOT is for.

Council Member Spitzley stepped away from the meeting at 7:40 p.m.

Council Member Wood reminded the Committee that over the years Council has asked if the PILOT applications are in line with the 2003 policy.

Council Member Spitzley returned to the meeting at 7:42 p.m.

Council Member Yorke asked the question of the PILOT’s being a viable deal without the incentive, and with a brownfield of \$38,000 new taxes over 17 year then the full tax capture. With the School for the Blind, with a 100% affordable scenario, \$40,000 for longer time period, so there will be a longer time when the property goes to full rate. With every project, Council encourages encourage community involvement. The policy in the future should be to look at comprehensive with all. Council Member Washington assured the Committee that her proposal for a moratorium cannot stop projects that are currently in the process. She will ask for moratorium in the Committee on Development and Planning because the City needs a vision on where the City is headed, Council needs the true financial outlet on what it will be.

#### City Attorney Status and Future of City Attorney

Council President Brown Clarke outlined the time line of the departure of Ms. McIntyre and her presence at the February 29<sup>th</sup> meeting representing she was back to work.

Council Member Yorke stepped away from the meeting at 7:51 p.m.

Council President Brown Clarke asked the Administrations for clarity on the expectations and clarity of the understanding of what and how the severance was determined. City Council is having difficulty obtaining Ms. McIntyre last contract, and contract extensions. Mr. Swope was then asked about his office’s process with contracts. Mr. Swope noted that contracts come to his office in two different ways.

Mr. Abood stepped away from the meeting at 7:54 p.m.

Mr. Swope outlined the process for employment contracts for department heads are submitted to the Clerk’s office after they are executed at which pointed they are logged in and placed in the vault. Council President Brown Clarke asked if they are signed and submitted to the Clerk in a timely manner. Mr. Swope confirmed it is an ongoing basis, department head contracts are usually on a calendar year, and therefore the Clerk’s office would get at the beginning of the calendar year. Council President Brown Clarke asked if they Clerk reviews his log to make sure nothing is missing. Mr. Swope stated his office files every contract that is brought to his office and not their practice to ask for missing documents. Council Member Wood noted to Mr. Swope that Council was not able to obtain or locate one of the renewal contracts.

Mr. Abood returned to the meeting at 7:56 p.m.

Council Member Wood asked Mr. Swope if the renewal was never given to the Clerk, or it was given to the Clerk and logged and not in the files now. Council has the March 2013 contract, the signed 2014 extension, but no extension for 2015.

Council Member Yorke returned to the meeting at 7:57 p.m.

Council Member Wood asked for the contract that was signed in 2015 that took effect 1/1/2016. Mr. Swope confirmed again that his office did not have that on file. Council Member Wood then asked Mr. Hannan if there was an extension for Ms. McIntyre for that year, and Mr. Hannan confirmed but his office was not able to locate the original but does have a final draft. Administration has also asked law to search their contract files. Mr. Hannan stated his understanding of the process that contracts should be filed with the Clerk by the City Attorney or Human Resources office. Mr. Hannan acknowledged that the Administration has a final draft and continues to search for the signed contract. Recently a new process for contracts is being implemented in ONBASE regarding contracts and the Administration, the Clerk and the HR department is working to make all contracts electronic and electronically archived. Council Member Wood asked if the draft that Mr. Hannan located is different than the signed original. Mr. Hannan stated no and he could provide a copy of the draft. Council Member Wood asked Mr. Swope if all other department heads contracts for the period of 2015 have been placed on file and Mr. Swope confirmed he had looked in one other file, and there was no 2015 contract in there either. Council President Brown Clarke asked Mr. Abood to locate all final drafts of the Department Executive Director contracts since they are not filed in the Clerk's office. Mr. Hannan informed the Committee that contracts are not on file in the City Attorney office, only the drafts. Council President Brown Clarke then asked where the other contract extensions for the executive staff for 2015 are. Mr. Hannan answered that they would be with the Clerk office, and Council President Brown Clarke asked again where else since the Clerk had stated they had none. Mr. Hannan stated it would then depend on the courier that delivered them, if they would be from the personnel in the City Attorney office or the HR Department.

Council President Brown Clarke addressed Ms. Riley and her familiarity with the {Personnel Rules, reading the rules for Executive Management Plan Employees which stated under Section E. "If an employee resigns, such resignation may be withdrawn only at the discretion of the Mayor or appointing authority. Employees are requested to give 30-days notice prior to the last day of work.", and therefore asked Ms. Riley if Ms. McIntyre gave notice, since Council was under the understanding she did not. Ms. Riley did not respond, but Mr. Hannan responded by stating that that the separation agreement in question was not entered into within the confines of the Executive Management Plan. It is not a severance it the terms it is a separation agreement and some do not adhere to all those perimeters and follow all those protocol. Mr. Hannan concluded stated the City was not given a 30 day notice. Council President Brown Clarke asked Ms. Riley and Mr. Hannan why the administration negotiated beyond the scope, what was the decision making to negotiate beyond the scope of the management plan since it was not under those guidelines. Mr. Hannan noted that he cannot disclose all particulars because it is in a confidential manner, 2<sup>nd</sup> they cannot disclose anything under attorney/client privileges. Council President Brown Clarke asked if Council was considered the client, and Mr. Hannan stated yes, but that privilege extends to a public meeting. He continued stated that the Administration is not interest in violating the privacy, and therefore cannot disclose. Under basic protocol, he can answer questions, but will be refined. Mr. Hannan spoke on behalf of the Mayor stating the Mayor believes the settlement agreement was in the best interest of the City, and it is similar in private and public sector where they release claims by both sides, so this case is not that unusual.

Council Member Washington repeated Mr. Hanna's confirmation that Council is the client, and also cannot discuss in a public meeting so why can't they go into closed session. Council Member Wood added that if the City attorney is the client, who is the attorney for the City. Mr. Hannan commented first on the closed session noting under the open meetings act, the only time Council can do that in a personnel matter is by request of the employee and since Ms. McIntyre is no longer an employee Council cannot. Mr. Hannan advised the Council that Ms. McIntyre was sitting at the DIAS on February 29, 2016 and Council could have asked then.

Council President Brown Clarke reminded Mr. Hannan that at the February 29, 2016 meeting there was no indication to Council that Ms. McIntyre would not continue in her duties as City Attorney and it was insulting to the Council that they were not made aware of the agreement prior to the February 29, 2016 meeting. Mr. Hannan stated that the Administration used Dykema Law firm, Kip Ford and Harry Portman and Associates. Council Member Wood asked what they were paid, and Mr. Hannan read from the invoice \$9,553.00. Council Member Wood asked Mr. Hannan if when Ms. McIntyre was present at the Committee and Council meeting on February 29, 2016 if the administration was aware there was already in agreement. Mr. Hannan acknowledged he was not but some in Administration were. Council Member Wood noted that it was evident the Mayor knew and yet he did not give the information to Council. Council was under the impression Ms. McIntyre was an employee, and she herself had scheduled a meeting with Ms. McIntyre. The Mayor has an obligation to let Council know even if the City Attorney had told Council herself. Council Member Wood continued by reminding Mr. Hannan that the Mayor himself made it well known in the public there was an issue with the Peter Lark and his severance agreement and even criticized the BWL Board on entering into that agreement, so how does the Administration justify the Mayor entering into this severance package. Mr. Hannan noted to Council that the BWL contract with Mr. Lark was a 5 year contract and that was the basis of concern for the Mayor. In this case it was a one year, under the new charter amendment. Funds in this settlement would have been similar to other employees, this was not a settlement designed within corners of the executive management plan or employment rules, but a settlement. Council President Brown Clarke asked if Brig Smith had a separation agreement and severance packet when he left, Mr. Hannan had no answer and will look at it. Ms. Riley also had no knowledge. Council President Brown Clarke reminded Ms. Riley that the Council Internal Auditor had sent an email request with this question prior to the meeting, with no response. Mr. Hannan stated they will look in the HR files, however Mr. Smith left under different circumstances, it was a standard employee leaving situation and this recent one was not a standard. Council Member Wood asked if the Mayor had anticipated entering into a separation agreement when he signed Ms McIntyre contract in December 2015 to extend her employment for another year. Mr. Hannan stated no. Council Member Wood then asked when outside counsel was hired, and Mr. Hannan could not provide a precise date but guess mid-January. Council Member Wood then asked for the precise date. This lead Council President to ask Mr. Abood about the date since his office secured the outside counsel. Mr. Abood could not verify the dates, but stated it was appropriate to secure outside counsel because his office was conflicted. Council President Brown Clarke asked again for the date. Mr. Abood confirmed he was not involved in the process and the law firm used was on the approved outside counsel list. They have done arbitrations and have an ongoing agreement so they were appropriate. As far as the procedure Law was aware but not involved in specifics. Council President Brown Clarke first acknowledged the Lansing State Journal for providing information to the Council that they were not able to obtain, then asked Ms. Riley her opinion on the FMLA requirements for leave and the amount of hours that Ms. McIntyre was reimbursed, if her opinion was that Ms. McIntyre never used vacation time while she was at the City and if she used any time during the FMLA leave. Ms. Riley noted it was a confidential personal matter, and she had no knowledge if she took time before she herself starting working for the City. Council President Brown Clarke then asked Ms. Riley to define what FMLA is, and if it is unpaid time. Ms. Riley confirmed it could be, and you can use vacation, personal, sick. Mr. Hannan interjected that under the executive management plan, department directors can get 120 hours of leave time as of January 1<sup>st</sup>, then 120 days the subsequent year, then each year of service up to 8 years of service. So by year two there could be 128 hours of leave time, year 3 136 leave. Mr. Hannan clarified that because Ms. McIntyre held a department dual role, she received additional allocations of leave time pursuant of leave time, 80 hours of leave over three years to 240 hours. Hypothetical Ms. McIntyre could accumulate 744 leave days over the time. Council President Brown Clarke asked if any other department directors have dual roles

accumulating time. Mr. Hannan confirmed Mr. Gamble did, but not at that level. Council Member Wood pointed out to Mr. Hannan that Mr. Gamble was asked who was in charge of the IT Department and he stated he was, so has he been collecting dual vacation time over the time the IT Director position has been vacant. Mr. Hannan stated no, and Ms. McIntyre did not receive dual pay for two departments. Council Member Wood asked for the contract verifying that for Mr. Gamble and Mr. Hannan confirmed he could not produce the one for Ms. McIntyre because it was missing. Council Member Wood concluded by reminding Mr. Hannan that in 2005-2006 the administration came to the Committee on Ways and Means and voiced concerns with excess vacation time that outgoing directors were getting paid, and now they are contradicting their concerns.

Council Member Washington reminded Mr. Hannan of the dates that she has conflicts with which include Ms. McIntyre last date of March 4<sup>th</sup>, but her arriving to work on February 29<sup>th</sup>, but signing the agreement on February 25<sup>th</sup>. The Council is aware of her vacation she took over her time with the City, so there is a conflict with the separation agreement. Council Member Washington then acknowledge the Lansing State Journal also for their report of information that Council was not provided. Council President Brown Clarke stated for the group that she hoped there will be clarification with the draft 2015 contract, which would show combined vacation, combined sick, combined personal time.

Council President Brown Clarke continued on with her notes, referencing page 2 which spoke to legal Clause #14 in the agreement which stated "other City leaders" and asked who that was. Mr. Hannan quickly stated management but then referred to Law stating it does not bind Council then read Article #13 and Article #14. Council President Brown Clarke asked why that language was added and Mr. Hannan's answer was that it was a standard boilerplate language in any employee separation. IT is designed to create separation. Council President Brown Clarke spoke about the reciprocal language and if Ms. McIntyre mirrored that language, Mr. Hannan stated she was an employee. Council President asked how long the parties were bound by the agreement, and Mr. Hannan confirmed indefinitely and by all parties named. Mr. Abood was then asked, and Mr. Abood stated the parties have signed an agreement that binds them, and does not believe it is time frame bound. As long as there is an agreement in place it is binding. We can envision scenarios where agreements would not last, because one side or another breach the agreement. If an agreement does not have a time frame it is meant to continue. Council President Brown Clarke referred back to the acknowledgement that Council is the client, and Mr. Hannan stated they cannot go into closed session, can Council read the opinion on the agreement from Dykema Gossett, the outside counsel. Mr., Hannan stated there was no opinion, but verbal advice, and a memo with the frame work and types of agreements were constructed, but that too is attorney client privileged that Mr. Abood can share with Council, but the document cannot be shared. Council President Brown Clarke asked again if Council was the client, and Mr. Hannan suggested they get their advice from Law. Mr. Abood confirmed that in this situation Council is the client. Council President Brown Clarke then asked to see the legal recommendation, notes, and any exchange from Dykema Gossett referencing or guiding this separation agreement. Mr. Abood answered the request by stating that with regards to the memorandum, Council could review that memorandum as long as they maintain the confidentiality the memorandum is entitled to have. Council President Brown Clarke asked how soon Council could have access to it, and if they need to go into closed session at the March 7<sup>th</sup>. Mr. Hannan cautioned Council from going into closed session, and stated the documents were transmitted to the City Attorney so viewing would be up to them to handle. The Administration will not participate. Council President Brown Clarke suggested seeking outside counsel for guidance on council legal authority, since closed session is only for employees and now that window is not open. Mr. Abood stated with the Open Meetings Act the Law Office would advise Council not to do something that would break the law, and

therefore they are recommended not to go into closed session. Council President Brown Clarke asked Law how Council knows if it is something for closed session if they can't see it. Mr. Abood offered to provide memorandum, but cannot go into closed session. There are confidential concerns and also advised not to be made public.

Council Member Yorke recapped the discussion and asked for additional information on the separation agreement.

Council Member Washington commented to the public that Ms. McIntyre was not just any employee, she worked for Council, and Council was never told anything until it was in the media. To say it was Council's responsibility to find out because she was their employee was insulting, because everything was kept a secret, then administration advises Council to discuss ongoing actions with active employees but Council is not aware of issues when they are active.

Council Member Dunbar asked Mr. Abood what path Council should take since the documents cannot be reviewed in closed session, they can't be left in their mailbox because confidential, and can't be discussed at an open meeting. Mr. Abood confirmed his office can hand the documents out individually to Council Members in his office. Council member Spitzley repeated that City Council is the client there is a concern they are bound by contract, so Council needs to make sure they are not in violation of contract. Mr. Abood stated that Council is party to certain parts of the agreement and released from future claims. Other parts of the agreement are the signator of the agreement, those that sign. Council Member Spitzley referenced the earlier statement of "leaders", and Mr. Abood noted it specifically states that class.

Mr. Hannan read the Charter stating this is an administrative function, and the charter states the responsibility of Council is the administrative activities limited to its own staff. Council Member Washington reminded Mr. Hannan this situation was not departmental, this position was a Council employee, and her position was council staff.

Council President Brown Clarke suggested that maybe the Council needs their own legal representation because the City Attorney cannot assist Council and the administration is bound by confidentiality, Ms. Riley cannot provide any input, and Council has no capacity and no one to help us walk thru. Council needs to look at outside counsel under confidential clause.

Council Member Washington reminded Mr. Hannan that it can't go both ways, stating one minute that Ms. McIntyre is a Council employee, then telling them she was not an employee, but always presented as an employee.

Council Member Houghton stated it appears that this situation is convoluted and secrecy. She has a concern with getting Council's own outside counsel because they would be spending additional tax payer dollars with still no answers. Having binding contracts and Council can't see them, how can another attorney.

Council Member Hussain opinion was with the hours Ms. McIntyre was reimbursed and the explanation that was given. Lastly he voiced his frustration with obtaining any information, and there may be a need for outside council to make sure this doesn't happen again.

Council Member Yorke agreed to meet one on one with the City Attorney office to review the documents they haven't seen.

Council Member Wood voiced her frustration on the overall leave time of Ms. McIntyre and then when she came back, it appears everything was already in motion for her separation agreement to be signed and yet Council was not part of it, even though the Mayor stated publicly that Ms. McIntyre was Council's employee.

Council Member Washington stepped away from the meeting at 9 p.m.

Council Member Wood asked Mr. Abood to provide the Council with the draft contract before the Council meeting, and Mr. Abood stated he would make every effort. Council Member Wood concluded that Council needs to let the public know where their tax payer dollars are going.

Council Member Washington returned to the meeting at 9:03 p.m.

Council Member Spitzley agreed with other Council Members on the statement of employee and employer relationship, and would like to err on the side of caution with the agreement and terms. She continued by noting that the agreement was done, signed she was not in favor of spending more money for outside counsel. Council Member Spitzley concluded by stating she does not like the issue, but not sure Council will get answered without outside counsel.

Council Member Dunbar was given the opportunity to address the topic and had nothing more to add.

Council Member Washington agreed to abide by what is directed however does not feel there is a legal obligation bound to it, Council needs to ask because it appears Administration is hiding something and Council cannot allow this to continue and this is the third time.

Council Member Wood stated to the Committee that when the Council developed the executive management plan it was after employee buy outs in 2005 with department heads, and at that time Council did hire outside legal counsel and based on that Council changed the ordinance and developed the Executive Management Plan. Mr. Abood was asked, based on comments by Mr. Hannan earlier, based on the recent Charter revision, the City was entering into a year contract, does that mean if an employee is bound by the Executive Management Plan, can they receive a year's pay. The severance package is less in the Executive Management Plan than what was received by Ms. McIntyre, therefore was is the clarification on this. Mr. Abood could not provide an answer and stated he would research.

Council Member Yorke and Council Member Dunbar stepped away from the meeting 9:08 p.m.

Council Member Wood noted that Mr. Abood should also research the limit in the Executive Management Plan of 120 days and limited vacation time.

Council President Brown Clarke presented two options for Council to consider which were that whatever review process that Mr. Abood will guide Council thru, they will then look at that point of time if they want to pursue outside counsel, or does Council we want to ask for outside counsel so they can look at it with us. The plan would be on Monday, March 28<sup>th</sup> there could be either a resolution for outside counsel to look at the documents, or Council we will move forward with setting up time with the City Attorney office. All Council Members should contact Council staff with their choice by Thursday, March 24. Council Member Washington asked if there were funds in the budget for outside Counsel, and Mr. DeLine referenced the miscellaneous account that is broad enough to absorb it.

Mr. Abood noted that while the City Attorney has separation with this negotiation, Law can still advise Council as long as not relative to. To the extent to which questions can answer, unless issue we are conflicted with. Any legal issue will be given best advice, if there is a conflict Law will notify Council.

Council Member Dunbar returned to the meeting at 9:13 p.m.

The Committee discussed the options of reviewing the Dykema Gossett documents before a decision is made on outside legal counsel, what is non-conflicting, and Council President Brown Clarke asked Mr. Abood to coordinate with each Council Member individually to set up an appointment to review documents in his office.

Council Member Yorke returned to the meeting at 9:20 p.m.

Council Member Spitzley's opinion was not to make a decision on outside counsel until reviewing whatever document Law had, however was not in favor of hiring outside counsel.

Council President asked Mr. Abood what options were available after Council saw the documents and if they could decide on outside, or does City Attorney take and secure outside counsel to address the individual questions. Mr. Abood stated that any conflicted questions the City Attorney could not answer they would vet or seek outside counsel for. Council President Brown Clarke voiced her concern that Council as a whole will not see individual Council Members questions from the review of the documents, so will those be answered individually or a list of the questions and answers be submitted to the Council. Mr. Abood confirmed it would depend on the issue being answered.

#### **ADJOURN**

The meeting was adjourned at 9:26 p.m.

Respectfully Submitted by,

Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on April 11, 2016



**MINUTES**  
**Committee of the Whole**  
**Monday, February 29, 2016 @ 5:00 p.m.**  
**City Council Chamber**

**CALL TO ORDER**

The meeting was called to order at 5:01 p.m.

**PRESENT**

Councilmember Brown Clarke  
Councilmember Jessica Yorke  
Councilmember Patricia Spitzley- arrived at 5:09 p.m.  
Councilmember Adam Hussain  
Councilmember Kathie Dunbar- arrived at 5:05 p.m.  
Councilmember Carol Wood  
Councilmember Jody Washington -excused  
Councilmember Tina Houghton - excused

**OTHERS PRESENT**

Sherrie Boak, Council Staff  
Chad Gamble, Executive Assistant  
Janene McIntyre, City Attorney  
Dennis Parker, UAW President  
Mary Ann Prince  
Larry Krause, Auto Value  
Tom Edmiston, Cinnaire  
Pat Lindemann, Ingham County Drain Commissioner  
Dennis Louney, Spicer  
Brian Cenci, Ingham County Drain Office  
Gary Dannemiller, Triterra  
Jon Miles  
Treesa Lovely

**Public Comment**

Mr. Krause highlighted document the Committee had that reflected the NAPA contract and spoke in opposition to the bid process, contract, cost savings, timing of NAPA on site, and control over the pricing.

Retired UAW Vice Chairperson spoke in opposition to the stated cost savings and asked the Committee to require that the Administration follow the rules.

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Ms. Prince spoke in opposition to contracting out labor and in support of the Union.

Mr. Edmiston offered his assistance to the Committee on the agenda item on the PILOT policy.

### **DISCUSSION/ACTION**

#### **DISCUSSION- Address the potential violations of UAW 2256 Collective Bargaining Agreement**

Mr. Gamble starting by assuring Council his belief that there are no violations of the UAW 2256 contract. The Administration is trying to save the City money and make tactical decisions about the business of the City. Mr. Gamble began an overview on the specifics which he stated started with a presentation 3 years ago, then they again met with NAPA and Mr. Gamble stated that the Union was evident and aware of the City's decision. There was an intended expansion of the garage, and they hope to maintain the experienced talented UAW work force at the garage, therefore this has been a tactical decision. NAPA's assistance during emergencies is part of their contract and is beneficial. Mr. Gamble admitted that this contract with NAPA does affect two full time employees and the administration is working to transfer them to open positions. Mr. Gamble stated that his office did notify the union in a memo 1 week and 3 days before NAPA took control, however he admitted that NAPA did come in 1 week early, and prior to their start date of February 22, 2016 to set up. There was reference to material in the packet that was provided by Mr. Gamble which referenced a flyer on NAPA quality, and Mr. Gamble clarified that their decision was not made only on that flyer but a well-studied process. The parts issue is beneficial to the City however a challenge with the fleet currently working on older vehicles. The contract in front of Council was a National Joint Alliance of the contract, a process the City does frequently. There are reciprocal contracts the City can use and that are why they utilized NAPA in this regard. Mr. Gamble concluded that it is in the City's management rights in the UAW contract.

Mr. Parker spoke on alleged contract violations and read the language on sub contracts and layoffs. Mr. Parker did not consider a meeting 3 years ago as notice to the Union. At that time his understanding was they were looking at a business model and had assumed they had convinced the Administration to not do it. There were no savings in the view of the Union and at that point the Union believed it was done, and they had not heard about it again until the memo of February 12, 2016. Mr. Parker cited Article 7 in the UAW contract. Mr. Parker went on to update the Council on dates of events including the notice start date of NAPA as February 22, 2016; however they were in there February 13, 2016. This was the first Saturday in months the City employees had not worked overtime, so they were not present, and when they came in Monday, NAPA was in the parts department. Mr. Parker clarified to the Council that with other employees in other jobs this did not happen, did not happen beforehand, and that is why they have discussions beforehand so that it is addressed and both parties can discuss the options. There have been no conversations until February 22 when the effected employee were in the HR department, and as the date of this meeting there is still nothing in writing or options presented to the person. The other effected employee is training the NAPA employee. Mr. Parker gave an example of the recent snow storm where the City union employee worked 40 hours and NAPA rotated 12 hour shifts. Mr. Parker questioned the stated \$120,000 savings when they are adding staff. In the contract under the layoff language, they are to provide 30 days' notice, however the Administration is not calling this a lay off but not finding these employees new positions either. Mr. Parker stated his belief that there was no information of the study as it went along, and the cost analysis that was asked for at the last meeting has still not been provided.

Council Member Dunbar noted there was no comprehensive analysis, and it did reflect a return on investment for NAPA, when the cost to the City for outsourcing was a 10% markup

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on the cost of goods. The documents reflect a guaranteed profit to NAPA and not about the cost to the City. The amendment appears to reflect \$85,000 per month, 8.42%, \$7,157 but the mark up is higher. NAPOA guarantees a profit so they look at the cost of parts to get 10% back, so in turn they will charge more. This will make their increase 9% not 8.42%. It appears the cost is actually a management fee not a markup. Council Member Dunbar noted from the documents received from Administration that the net profit NAPA needs to make in order to agree is \$7,800 per month. Based on the payroll, their pension, workers comp, etc., freight, postage, they are losing \$6,500 a month. Council Member Dunbar then noted that under the contract the City won't just pay 10% markup of the product and then the City will have to guarantee of the profit and in turn eating the difference. Because they lose money in other areas it ends up being 16.8%. It appears their total expenses will be \$14,000 and losing \$6,500 so the City will be making up the difference of \$5,000. Council Member Dunbar asked Mr. Gamble what part of the 10% or percentage profit pays for NAPA employees. Council Member Dunbar then referenced other jurisdiction contracts with NAPA, citing a concern with the City of Lansing contract being standardized. In example given was Palm Beach, CA where it stated they (Customer) desired to provide space for service to NAPA and offered a term and termination. They also noted performance of the customer should be by the availability of the funds, in the event funds not approved the contract is terminated upon the funding. This represents where the legislative funding tied to contract. Council Member Dunbar continued to go thru the contract stopping at "Duties" which states NAPA will operate the onsite store, inventory with NAPA personnel. Palm Beach contract notes that within 48 hours the customer and NAPA will category account for the inventory. Audit categories were referenced in the Palm Beach contract and noted they needed to be added to the City contract. Council Member Dunbar reflected on the Palm Beach contract section on payment to NAPA and requested the same be added to the City which stated following confirmation of all costs there is a review. The Palm Beach contract also noted that no overtime was charged against them by NAPA until it was over 40 hours week, this too should be added. Palm Beach contract reflects that if there is a dispute it will be resolved within 60 days. In regards to the inventory, the contract should reflect a statement that clarifies that upon customer request, they buy back inventory and therefore NAPA should list the NAPA inventory in storage and on the floor. Council Member Dunbar did not agree with a cost savings measure based on what the information reflects so far and requested more information. How can anyone guarantee to a group when we pay non-union to do the job.

Council Member Wood asked Mr. Gamble how the City knew about NJPA and what his knowledge of the group was, including how it is funded. It appeared to her research that If NAPA gets a contract thru NJPA they pay NJPA and admin fee. Along with request for proposals there is nothing talking about deficiencies with the company. Council Member Wood listed cities such as Glendale, Louisville, and Polk County Florida that dealt with NAPA and had issues where NAPA did not fulfill their promises. Council Member Wood asked for the research that was done on NJPA and NAPA. Lastly Council Member Wood reflected on an earlier comment from Mr. Gamble on NAPA helping during the recent storm; however she received a photo of the NAPA employee sleeping.

Council President Brown Clarke asked Mr. Gamble to review the cost analysis, information and matrix.

Council Member Yorke stepped away from the meeting at 5:55 p.m.

Included in the questions from the Committee included an inquiry into how they determined to be a member with NJPA and what was the criteria to choose NAPA. Council Member Wood added that the City does have their own procurement policy ordinance and asked why the City did not use that.

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Mr. Gamble confirmed for Council Member Wood the procurement process was followed and added that the City is a member of NJPA. Because of that membership the City can join because of the joint contracting allowed. Mr. Gamble noted that this process is how the City purchases equipment.

City Attorney McIntyre stepped away from the meeting at 5:57 p.m.

Mr. Gamble continued noted that the City could save and procure equipment faster. Council President Brown Clarke asked Mr. Gamble if this was the first time the City has NJPA. Mr. Gamble could not answer that question but would ask purchasing. He did note that a study was done by the City using average monthly sales in parts, and the City uses \$1.4 million in parts per year. With the cost for NAPA employees that was a calculation that yielded a savings. They can have more than two employees. Council President Brown Clarke asked for that study, and Mr. Gamble stated it was the one page spreadsheet in the documents. Council Member Dunbar referenced the spreadsheet noting the amount of people they bring in, no matter how efficient, that is part of the NAPA calculation on their profit.

City Attorney McIntyre returned to the meeting at 5:59 p.m.

Council Member Dunbar asked how if anything changes in the % of their guaranteed profit margin, how the City addresses that. Mr. Gamble clarified to the Committee that the contract is standard language; they purchase parts on a volume scale and therefore pass along the savings. Council Member Dunbar asked Mr. Gamble where the long term savings projections were, a 5 years of escalated cost, because it reflects no long term savings. Also it was asked of Mr. Gamble if the union was given the opportunity to see the projected savings so they too could find savings. Mr. Gamble noted the numbers are current numbers, and the City did not do a 3-5 year projection because they do not know what parts they will need. With NAPA able to purchase nationwide it will be cheaper. Mr. Gamble concluded that the contract does not require the City to only purchase NAPA products. Council Member Dunbar pointed out to Mr. Gamble that with the cost of parts, mark up on parts, cost of their payroll there is nothing in the form that compares or projects what the City costs would be over time. This is based on estimate of salary also. If it is a projection on parts, Council Member Dunbar would like to see City staff time, and what is procurement cost over NAPA value. There needs to be more discussions on where these costs savings are.

Council President Brown Clarke asked Mr. Gamble why if the conversations started 3 years ago they then stopped, and then were revisited in 2015. Mr. Gamble stated at the time they were working thru the construction for the new garage, were discussing parts, and interviewed NAPA with the option of doing this during the project. Council President Brown Clarke asked if NAPA was one of many. Mr. Gamble clarified he did not personally talk to NAPA, but did believe there were more vendors. Council President Brown Clarke asked then if those other vendors were revisited 3 years later. Mr. Gamble referenced the national bid process with NJPA which the city felt that any firms could go thru the bid on this process.

Council Member Yorke returned to the meeting at 6:09 p.m.

Council President Brown Clarke asked if the bidder can determine or request where the bid is posted, and if NJPA asked the City if they had recommendations where to post, or does NJPA only RFP only in their process. Mr. Gamble stated he knew only of USA Today publication. Council Member Wood informed the Committee that her research determined it was published in Oregon, Utah, Salt Lake City News, and nothing locally. She also informed Mr. Gamble that even though he stated the City belonged to the NJPA, her research provided not membership. The City does belong to MITTEN, which is the State of Michigan procurement where the City pays to belong but the vendors do not, in comparison to NJPA.

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This was an organization we belong to, but in research City of Lansing not a member. The City does participate in MITTEN, which is procurement plan with the State of Michigan which the City pays to belong to, but the vendors do not pay a fee. Council President Brown Clarke asked what was the City's relationship was with NJPA. Mr. Gamble was not sure of the NJPA relationship, but the MITTEN is a bidding process and NJPA is a joint procurement process which is a contract that is issued.

Council Member Spitzley asked what the effective date of the agreement was since it was not dated, and Mr. Gamble clarified February 19, 2016. Council Member Spitzley asked for confirmation that NAPA was in the City building on February 13, 2106 before the effective date of the contract, and Mr. Gamble confirmed. Council Member Spitzley then referenced Article 7 of the UAW contract which was requiring advanced notice. Mr. Gamble again confirmed their memo was distributed to Mr. Parker and Union Steward on February 12, 2106. Council Member Spitzley then asked if during the notice they provided a reason for subcontracting per the union contract. Mr. Gamble referenced the paragraph prior to Article 7 which says "may" include, not shall, and so many. Council Member Spitzley read Article 7 to Mr. Gamble., and Mr. Gamble answered the inquiry by stating the NJPA contract was bid in June 2015.

Council President Brown Clarke asked if the contract was dated February 19 and they started February 13, what their understanding was. Mr. Gamble stated NAPA was in early setting up while the contract was getting revisions. The contract was signed before they showed up. Council President Brown Clarke then asked if NAPA was paid in those 6 days, and Mr. Gamble said no.

Council Member Brown Clarke inquired about the inventory and if the City owns it or we sold it to NAPA. Mr. Gamble stated the City is slowing distributing it to itself, and then once they exhaust supply it will be replaced on the shelf with potential cost savings. They are looking at inventory to see what barely used, and working to get credit back for those parts.

Council Member Dunbar asked whose insurance covered the NAPA employees during the February 13 date. Mr. Gamble stated NAPA.

Council President Brown Clarke asked how the City buys back if there is a clause in the contract on that. Mr. Gamble stated his belief that if the City elects to terminate with NAPA there is ability for the City to buy that inventory. The next question was whose inventory will be on the shelf, and Mr. Gamble confirmed it would NAPA, but the City does not pay for it until they utilize the part.

Council President Brown Clarke inquired ask to how Council can do performance based budgeting resources on this process, how they can continue to be cost effective in their replacement of and be fiscally diligent to get best cost per part. How does Council know NAPA is being diligent. Mr. Gamble answered the question by confirming that the City has a short list of parts, what they are provided from inventory, what their cost is and what the City cost is. These are efficiencies in savings. Council Member Spitzley asked for the details on the inventory. Mr. Gamble stated that in the information sent to Council there was a letter that states the partnership with NAPA and the ownership on how things will be done on the independent audit of parts. The City does have the approximate value of inventory they currently have. Council Member Spitzley asked if the City will use the half million inventory before we purchase from NAPA. Mr. Gamble confirmed that staff will utilize the inventory on shelf, and then inventory will be back filled by NAPA. Council Member Spitzley then asked how long it takes to go thru the inventory. Mr. Gamble confirmed it could take approximately one year, which is \$1.4 million in one year. Council Member Spitzley then asked Mr. Gamble how the City is making money that first year if we have to use ½ million. The question was

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then asked how the City would be paying for parts they are not using, with the NAPA 8.4% profit and not purchasing parts, but the City is also paying for services that they are not getting for a period of time. Mr. Gamble detailed that 8.4% of 0 is 0, and when the City sells parts off to themselves they charge 0 since we already have. The first year will be a good year for the City since the City already owns the parts.

Council Member Dunbar detailed what appeared to be the breakdown, with the City doing \$1.2 million a year, half million now, and in 6 months NAPA pays their employees and no payments by the City to NAPA. Mr. Gamble corrected the details stating that the City bill will mostly be for personnel at reduced cost, and no long term.

Council Member Dunbar reference the line item sheet which noted that in addition the 8.4% the City is paying for their employees. Mr. Gamble confirmed that detail. Council Member Dunbar asked why the City would be paying the whole bill on top of employees, when the City owns the inventory and then buying back the inventory from itself. Mr. Gamble informed the Committee that the current inventory will be issued back at \$0 since they have already paid for, and NAPA is not making a profit on parts the City has already purchased. The majority of the cost the City will be at the front of the contract and will be their personnel. They will then transition over to paying for parts.

Council Member Dunbar asked that NAPA have insurance with limits and holds the City as additionally insured and on file before commencement. Mr. Gamble agreed they will, but Council Member Dunbar asked how was the NAPA employee covered when they were working before the contract start date. Mr. Gamble informed them that NAPA and they were there at their own risks. Council Member Dunbar then asked for a list of parts with costs used for cost analysis the Council can compare. Mr. Gamble stated he could provide that. Council Member Dunbar added that she would like for information on long term salary projections for City. Mr. Gamble assured they will perform an audit with their audit, however his experience will be with just the contract, so any more detailed analysis would need to be asked of the auditor. Council Member Dunbar clarified her question was what the administration used, assuming they used city costs, and asked for the analysis that was used. Mr. Gamble referenced the spreadsheet in the documents which was a one year analysis, which included a personnel savings. Council Member Dunbar and Brown Clarke asked for something that represents the City payroll for cross savings. Mr. Gamble referenced the comparison sheet again which outlined the NAPA projected savings. The first year will be lower cause not buying the inventory. The costs listed are labor of two city employees, fringe, and longevity. Council Member Dunbar asked for more details on a 2-5 year comparison, and then asked Mr. Parker what a union employee gets in an annual increase, and Mr. Parker it will be 2% this year.

Council Member Dunbar reminded the Committee and Mr. Gamble that 3 years ago the City was going to get rid of inventory because they were going to expand and the City only had real time parts. Now it sounds like they are still in the same space but Council is being told they need more space for mechanics. Mr. Gamble noted that they are looking at future mechanics, and train the current, while working within space provided.

Council President Brown Clarke pointed out that with the one year savings, labor savings and fringe savings appears impressive, but what is the total number.

Council President Brown Clarke if the numbers represented appeared accurate. City Attorney McIntyre stated she could not support or deny it since there was no comparison, however also stated it did not appear high.

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Council Member Hussain voiced his concerns with contract language, issues with NAPA and the conflict with not adhering to the language in the collective bargaining agreement approved by the UAW. Based on the terms of requirements of Article 7 and 9 the collective bargaining agreement has been violated. Lastly it was asked if there was a meeting 3 years ago, did they violate the agreement.

Council Member Brown Clarke asked City Attorney McIntyre if there was violation of the UAW contract. Ms. McIntyre replied by stating she cannot speak to a true violation. There is a process in the collective bargaining agreement and outcome, which would be something under the HR department.

Council Member Yorke stated her concern with the treatment of the City workers, and also a concern with that Council was not made aware of the whole NAPA action.

Council Member Wood distributed a proposed resolution for action by the Committee on ceasing action on the NAPA contract until it can be reviewed.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION THAT WOULD REQUIRE FURTHER REVIEW OF THE CONTRACT WITH NAPA. MOTION CARRIED 7-0.

RESOLUTION – Appointment of Interim City Attorney

Council President Brown Clarke acknowledged the presence of City Attorney McIntyre, and noted that because of her attendance this request is no longer needed and disposed of.

Council Member Spitzley stepped away from the meeting at 6:55 p.m.  
Council Member Dunbar stepped away from the meeting at 6:56 p.m.

Ingham County Drain Commissioner Conservation Easement

Ingham County Drain Commissioner Ranney Park Drain Easement for Montgomery Drain

Ingham County Drain Commissioner Red Cedar Park Drain Easement for Montgomery Drain

Mr. Lindemann distributed handouts on the drainage district and plan.

Council Member Spitzley returned to the meeting at 6:57 p.m.  
Council Member Yorke stepped away from the meeting at 6:58 p.m.

Before Mr. Lindeman went thru the presentation he mentioned that within 3-4 months the design will be 60% done and then will have a public hearing. The first step is to obtain the land and the rights to build on it. If there are no easements from the City the County will have to seek private property.

Council Member Yorke returned to the meeting at 7:00 p.m.  
Council Member Dunbar returned to the meeting at 7:00 p.m.

The presentation began with the initial problem and the project goal. The design concept for the Montgomery Drain can manage and clean 95.7% of all the storm events. Included in the hand out was a map of the intensive land use of the plan and the 80% of impervious. This project and other drain projects address issues and the federal law prohibits them from discharging pollutants. Mr. Lindemann moved onto a slide on SAW grants and looking at \$500,000 from the DNR to use for river rebuild from Kalamazoo, allowing cleanup of the banks. Council Member Wood asked if the SAW grant was part of the planning or the work later. Mr. Lindemann confirmed it would be planning money and they hope to have in 2017.

Council Member Spitzley stepped away from the meeting at 7:11 p.m.  
Council Member Yorke stepped away from the meeting at 7:11 p.m.

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Council Member Spitzley returned to the meeting at 7:12 p.m.

In outline of the design it was noted they are trying to use low impact design and are negotiation with Frandor and other merchants. There are no plans drawn up yet except the conceptual plans and DEQ plans, but currently they are negotiating easements, and they cannot proceed with the design without the easements. Council President Brown Clarke asked for the timeline. Mr. Lindemann stated it will take 60 days to secure the easements, and they want all the easements at the same time. The process started January 11, 2016 which is when the 60 days started. They have already applied for a 30 day extension.

Council Member Wood asked if the easement have gone thru the Planning Board for approval. Mr. Gamble stated they were introduced but he was not sure if they are scheduled for a meeting. Mr. Gamble was asked to provide that schedule. Council Member Wood then asked if the Parks Board had reviewed it, and if the City has signed off with Mr. Ferguson on possession of the land, and Mr. Gamble confirmed. Council Member Wood then asked if the skate park in Ranney Park would be affected, and Mr. Lindemann noted they would not be touching it.

Council Member Yorke returned to the meeting at 7:20 p.m.

Council Member Wood asked if there were payments for the easements they are looking to obtain, and Mr. Lindemann noted they are not paying for any easements. Council Member Wood then asked Ms. McIntyre where her office was on the review of the documents. Ms. McIntyre noted they received the information and the course of action is the preferred approach. While the process goes thru the Planning Board and Parks Board, Law will do their due diligence. Council Member Dunbar asked for the procedures in the process, and it was reiterated that Council cannot take action on the easements until the Parks Board and Planning Board, along with legal have signed off.

Council Member Brown Clarke asked what would happen if they miss the extension. Mr. Lindemann stated with confidence that the DEQ was pleased with what they have done so far. The detailed planning process can't start until the easements are provided. The County hopes that the DEQ sees good faith effort, and they are aware the County is pursuing.

#### DISCUSSION – Payment in Lieu of Taxes (PILOT) Policy

Council President Brown Clarke noted that at the last Committee of the Whole meeting and Council there was an evident request for clarification on the PILOT policy and current PILOT's. Council President Brown Clarke informed the Committee that the City Attorney has offered to look at prior meeting minutes and resolutions to provide Council with the guidance and what the prior Resolution charged Council with and sees if it now needs to be amended.

Council Member Wood added that she has found additional information and will provide that to Law. Council Member Yorke also added that Mr. Edmiston with Cinnarie was present earlier in the meeting and offered to reach out individually to each Council member. Council Member Yorke directly asked for the legal opinion also on the current PILOT Policy, any determination on the age of the residents, dollars, etc. Council President Brown Clarke acknowledged the request and confirmed a legal written opinion was requested. Currently there are 6 project pending and Council needs clarity on how was the past resolution framed for Council and how does it work today. The FHT was also asked to give an opinion on how PILOT projects will affect their projections. Once any information is provided Council President Brown Clarke stated she would set another meeting within the next two weeks. Council Member Spitzley asked if there was a current policy on PILOT's. Council Member Wood confirmed there is one, and Council President Brown Clarke added she has formally asked for clarification from

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the City Attorney and for them to provide an opinion on where Council currently is, and then Council will discuss where they want to be. Council Member Yorke asked for Law to also clarify if the PILOT policy is codified.

**Minutes**

To be moved to the next agenda.

**ADJOURN**

The meeting was adjourned at 7:30 p.m.

Respectfully Submitted by, Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on



**MINUTES**  
**Committee of the Whole**  
**Monday, March 14, 2016 @ 5:30 p.m.**  
**City Council Chamber**

**CALL TO ORDER**

The meeting was called to order at 5:33 p.m.

**PRESENT**

Councilmember Brown Clarke- excused  
Councilmember Jessica Yorke  
Councilmember Patricia Spitzley- excused  
Councilmember Adam Hussain  
Councilmember Kathie Dunbar- arrived at 5:46 p.m.  
Councilmember Carol Wood  
Councilmember Jody Washington  
Councilmember Tina Houghton

**OTHERS PRESENT**

Sherrie Boak, Council Staff  
Joseph Abood, Deputy City Attorney  
Scott Keith, LEPFA  
Robert Johnson, Planning & Neighborhood Development  
Dennis Louney, Spicer Group

**Approval of Minutes**

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE MINUTES FROM FEBRUARY 22, 2016 PRESENTED. MOTION CARRIED 5-0.

**Public Comment**

No public comment.

**DISCUSSION/ACTION**

RESOLUTION – Set the Public Hearing for the FY2016/20174 Budget Public Hearing  
MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR THE FY2016/2017 BUDGET FOR APRIL 25, 2016. MOTION CARRIED 5-0.

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RESOLUTION – Set the Public Hearing for Ingham County Drain Commissioner Easements Conservation Easement between the City of Lansing and MDEQ  
Ingham County Drain Commissioner Ranney Park Drain Easement for Montgomery Drain  
Ingham County Drain Commissioner Red Cedar Park Drain Easement for Montgomery Drain  
Council Member Yorke informed the Committee that the Planning Board will review the easements at their March 15, 2016 meeting, and provide a recommendation. This request is for setting the public hearing for March 28, 2016.

Council Member Wood asked who would be doing the public notification and it was confirmed it would be the City Clerk, and Mr. Louney stated they could.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION THAT SETS THE PUBLIC HEARING FOR MARCH 28, 2016 FOR THE THREE EASEMENTS. MOTION CARRIED 5-0.

### **PRESENTATIONS**

#### Lansing Entertainment and Public Facilities Authority – Bi Annual Update

Mr. Keith provided an update on where the department sits in this fiscal year and in the future. The audit that was presented to the LEPFA Finance Board in 2015 showed net positions in a positive balance with net and assets, and they are exceeding liability for second time. The discussion then led to updates on the three facilities; Lansing Center, City Market and The Stadium. The Lansing Center has revenues exceeding on year to date by \$57,000 with a year to date loss of \$50,000. To explain the loss currently reflects that 2/3 of their business/conventions are in the last half of the year. They will meet the rental budget for the year, but the biggest challenges continue to be health care costs, utilities and food costs. The facility upgrades being performed at this time are the IT upgrades and work on signage improvements. The discussion moved into the Stadium where it was stated the only revenue LEPFA gets is from the onsite ATM fees. Any funds from the Stadium are a pass thru funds however are ahead of budget and up close to 20% from last year. Lastly, the operating expenses are also head of budget so far. Lastly, Mr. Keith spoke about the City Market. There was an increase in occupancy in December and January, and by the end of March they hope to be at 70% rented and 90% occupancy. New vendors will include a souvenir shop, bakery, café and coffee shop. The schedule of special events has continued to generate funds. They have recently also partnered with Michigan Fitness Association to look at grant possibilities. Mr. Keith added a note on Groesbeck Park and they are currently changing their liquor license.

Council Member Wood asked Mr. Keith to explain how they track and verify the vendors have active insurance. Mr. Keith answered by stating it is a requirement of the annual lease when they register and it has to be met.

Council Member Wood brought up the topic of discussion of ongoing event signs from the Lansing Center in the City right-of-way, and asked if Mr. Keith had placed any consideration on Council suggestion from the past on a policy for the customers who rent at the Lansing Center. Mr. Keith noted they had not created a policy, and when Code Compliance informs them of a violation they go and remove the signs. Council Member Wood stated she will be working with the City Attorney office on an ordinance. Council Member Dunbar asked Mr. Keith if removal of signs can be placed in their contract and they would have to initial it that they recognize they cannot promote with signs in the right-of-way. Mr. Keith answered by stating that the contract currently does state they have to abide by City ordinances, and to require anything further would be to the Lansing Center at a competitive disadvantage. Currently that stipulation is not in any other contract by other convention centers, and the fear is if they are required to at the Lansing Center they will go down the road to the next

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convention center instead. Council Member Houghton noted that the LEPFA and the Lansing Center is part of the city and they should set the standard to do it the right of way. Mr. Keith asked all Council Members to contact his office whenever they see signs in the right-of-way. Council Member Washington focused on the issue of signs in the right-of-way thru out the City, not just from the events or vendors and needs to be addressed City wide.

Council Member Washington asked how much is subsidized to LEPFA, and Mr. Keith clarified the lump sum is over \$1 million for three properties. Council Member Washington then asked if they were ever supposed to be self-sufficient, and Mr. Keith noted the Lansing Center will be impossible to be self-sufficient; and the stadium dollars go thru the system but not revenue. There is operating expenses of utilities and general maintenance. Council Member Washington informed him she will be looking at other options, and has a concern with the market because it appears to be moving away from the "market", and even had recent discussions with vendors who told her their rents are cost prohibitive. Then it was asked what is the contributing effect to why the Lansing Center revenue is higher. Mr. Keith noted that conventions occur on a three year cycle with three common locations; Detroit, Lansing and Grand Rapids; however one day conferences are now moving into 2-3 days. They continue to work with CBD to attract new businesses.

Council Member Dunbar referenced back to the subsidized comment and comment on increases in utilities. The question was asked if Mr. Keith had considered a farmer produced market. Mr. Keith acknowledged the suggestions and comments, however stated the markets are moving towards artisan foods and activities as a destination. Council Member Yorke suggested looking into the market in Kalamazoo which is run by a co-op and difference farmers daily. Council Member Washington concluded the market discussion noting for the record she had no issue with the market involving into something different, however if they are changing the vision, they need to do it quickly to make it self-sufficient.

Council Member Houghton asked for a list of repeat customers at the Lansing Center. Mr. Keith confirmed they rebook most of the vendors, and no one has ever said they weren't coming back.

Council Member Wood reminded Mr. Keith that the outside of the market was supposed to have an opportunity for famers to come in over the weekends. Mr. Keith confirmed it does occur on Saturdays, and sometime the farmers take spots inside. The market is looking to expand these farmers' days to another day other than Saturday.

Council Member Wood asked for the results of the satisfactory survey from last year, and Mr. Keith did not have results but would provide to Council.

Council Member Yorke asked if the City obtains any revenue from the concerts and events that are held at the Stadium that are not part of the ball field. Mr. Keith stated the ATM is revenue and LEPFA does receive the fee that users pay, however they did just have to spend money on the machine to accommodate the chip reader on cards, which cost \$5,000-\$6,000. As for the concerts, with the new agreement with the Logouts, it did give them the ability to do events beyond LEPFA with a portion coming back to the City. On a side note The View in the Outfield has been doing activities and exceeded their expectations by 300%.

Council Member Yorke asked Mr. Keith to provide answers to any open questions to Council before the budget hearings.

Planning & Neighborhood Development Bi-Annual Update

Mr. Johnson highlighted the four (4) divisions of the department which includes parking/service/municipal parking, building/safety office, development office which addresses block grants, federal grants, FEMA grants, Fast Track Authority, Neighborhood Resource Coordinator, and lastly the Planning office. Current projects include the update on the Master Plan, which include Phase 1 and Phase 2 of the Form Based Code.

The discussion then lead into the budget which is \$1 million general fund, however after administrative charges, so the net based on budget is \$460,000 administration side, and then the planning office \$399,000 all general fund. There is then \$190,000 of transfer of operational and administrative charges. The department is an enterprise fund so the pay back into the general fund.

Discussions on parking in the Lansing, with the North Grand ramp at 100% occupancy and 60% at South Capital ramp occupancy. The department is aware of potential changes when the State moves making a shift in the parking. Mr. Johnson included in his discussion the new parking pay stations.

The topics moved onto CDBG grant und \$1.8 million, with HOME funds \$547,000 and the Emergency Solutions Grant \$167,000 which is passed thru to the HRCS Department. The Department also offers a Home Owner Rehab Program which the applicants have to be income eligible. This is including an outreach on the programs. The Block grants work with Housing Coalition, Ingham County Land Bank, and fund kids camps.

The Building Safety division has \$2.3 million in revenue with \$190,000 operational transfer from the General Fund, and \$260,000 being paid by the office back to general fund. This finalizes it to Department overall expenses at \$13,758,000.

Mr. Johnson led his presentation into a reference on historical preservation and the sign topic that was discussed earlier with LEPFA. The Department does address signs in the right-of-way whenever they are aware of it. The Hardest Hit Funds addressed 250 houses, and they are looking at other opportunities for more eligible houses.

Council Member Wood asked about the department vacancies and temp employees in parking. Mr. Johnson acknowledge that they are still working with temporary help but there have been some positions filled with the help of the new HR Director. They are committed that by years end they will fill all the department positions.

Council Member Wood asked about a reference in past State of the City addresses that mentioned an electric car for parking services, however she has never see it. Mr. Johnson confirmed it is being used but not for parking services. It is parked at the North Grand Ramp and utilized by Departments for special events, by transportation engineers, and used for traffic control measures.

Council Member Wood asked where the funds from the sale of the Michigan Avenue Parking lot went. Mr. Johnson confirmed for the Committee the funds were received, and they want to reinvest into parking since the sale of the lot did take a parking lot of line. If the funds have to go into the parking enterprise they hope to invest into Lansing, and is advocating strongly they go back into a parking lot. Council Member Wood and Washington stated their support that the funds be spent on existing Parking Lot #8.

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Council Member Wood asked if the meters that were set to 8 hour time limits near the current MSP building will be set to lower time limits when the move. Mr. Johnson confirmed discussions on parking and hourly rates on meters began March 9<sup>th</sup>.

Council Member Houghton asked for copies of the brochures that Mr. Johnson referenced and placement on the website. Mr. Johnson stated his office can provide Council with them and verify which ones are on the website.

Council Member Hussain asked about specific on the Neighborhood Coordinator scope and if full time. Mr. Johnson clarified the employee is a contract employee at 25 hours a week, however he is looking at grants and working with other groups such as LEAP to find funding to make the positions full time. This will be brought up at the future budget hearing presentation.

Council Member Wood asked about the number of homes in the Fast Track program, and if there were additional homes past 250 that were done since the project came in less. Mr. Johnson acknowledge they were able to do closer to 260 homes. Council Member Wood asked if the City saved funds to purchase more homes to demolish. Mr. Johnson did not have the information and would provide.

Council Member Wood asked if building safety department was still short staffed and if they were working to fill the positions. Mr. Johnson stated that currently they do not have any contract employees in building safety. Council Member Washington asked if the City already had a full time neighborhood specialist and why the City needed two. Mr. Johnson stated the position he is speaking of filling is the Neighborhood Resource Coordinator which addresses grants, etc. Council Member Washington asked if it could be combined with Mr. MacDonald's position in the Mayor's office, and Mr. Johnson could not answer that.

Council Member Washington informed Mr. Johnson of a concern she has with the lack of execution of planning and outreach to the neighborhoods with projects, and therefore asked how many staff are urban planners. Mr. Johnson noted Ms. Stachowiak, Mr. Rieske and Mr. Sanford who deals with rehabilitation.

**PLACE ON FILE**

Board, Authority and Commission Term Expiration List

MOTION BY COUNCIL MEMBER WOOD TO PLACE THE DOCUMENT ON FILE. MOTION CARRIED 6-0.

**ADJOURN**

The meeting was adjourned at 7:02 p.m.

Respectfully Submitted by,  
Sherrie Boak, Recording Secretary  
Lansing City Council  
Approved by the Committee on

# CITY OF LANSING

## INTEROFFICE COMMUNICATION

DATE: March 3, 2016

TO: Judi Brown Clarke, Council President

FROM: Brett Kaschinske, Director, Parks and Recreation Department

SUBJECT: Lansing Park Board's November 2015 Meeting – MNRTF Grant

On Wednesday, November 18, 2015, the Lansing Park Board held its regular November 2015 meeting. The Park Board acted and voted for the Parks Department to apply for the Michigan Natural Resources Trust Fund grant, with a 25% match, to acquire interior land parcel 040-025-400-180-00, from the Lansing Boat Club. This property adjoins Fine, Fulton and Hunters Ridge Parks currently owned by the City. This action passed by a vote of 6 yeas; 0 nays

The Park Board recommends your approval of the MNRTF language resolution and the forwarding of the referral to City Council for their review on March 14, 2016 and a public hearing and vote on March 28, 2016.

Your consideration on this issue is appreciated. Please do not hesitate to contact me with any questions you may have or for any additional information that may be necessary.

Virg Bernero, Mayor

**Michigan Natural Resources Trust Fund Application 2016**

Organization: City of Lansing

TF16-0081

**Section A: Applicant Site and Project Information: NA**

<b>*Is the application for site development <u>or</u> land acquisition?</b> Development <input checked="" type="checkbox"/> Acquisition			
<b>*Name of Applicant (Government Unit)</b> City of Lansing		<b>*Federal ID Number</b> 38-6004628	<b>*County</b> Ingham County
<b>*Name of Authorized Representative</b> Brett Kaschinske		<b>*Title</b> Director of Parks and Recreation	
<b>*Address</b> 200 N. Foster		<b>*Telephone</b> (517) 483-4042  <b>Fax</b> (517) 377-0180	
<b>*City</b> Lansing	<b>*State</b> MI	<b>*ZIP</b> 48912	<b>*E-mail</b> brett.kaschinske@lansingmi.gov
<b>*State House District</b> District 68		<b>*State Senate District</b> District 23	<b>*U.S. Congress District</b> District 8

<b>*Proposal Title</b> (Not to exceed 60 characters) Lansing Boat Club Land Acquisition
--

<b>*Proposal Description</b> The City of Lansing would like to purchase a 7 acre vacant riverfront parcel for park use. Said parcel would connect with two other adjoining city parks - Hunter's Ridge and Fulton Parks.
---

<b>*Address of Site</b> Interior land	<b>*City, Village or Township of Site</b> Delta Township	<b>*Zip</b> 48911
<b>*County in which Site is located</b> Eaton	<b>*Town, Range and Section Numbers of Site Location</b> <i>Letters must be upper-case: (examples: T02N, R13E, 22) (Town) T04N (Range)R03W (Section)25</i>	<b>*Latitude/Longitude at park entrance</b> 42.698718 -84.612600
<b>*Park Name</b> NA		

**Michigan Natural Resources Trust Fund Application 2016**

**Organization: City of Lansing**

**TF16-0081**

**Section B: Project Funding and Explanation of Match Sources**

**SOURCES OF MATCHING FUNDS**

**PROJECT COST AMOUNTS**

<b>*Grant amount requested (round to the nearest hundred dollars)</b>	\$67,500.00
<b>Total Match</b>	\$22,500.00
<b>Total Project Cost</b>	\$90,000.00
<b>Percentage of match commitment (Must be at least 25% of total project cost)</b>	25%
a) General Funds or Local Restricted Funds (Applicant's own cash)	\$22,500.00
b) Force Account Labor/Materials (Applicant's own paid labor or materials)	
c) Federal or State Funds	

*You have entered a value for item c). Please provide the information below for each federal or state program from which matching funds will be provided. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND RECREATIONAL TRAILS PROGRAM (RTP) ARE THE ONLY FEDERAL FUNDS THAT CAN BE USED AS MATCH:*

* (1) Program Name	*Administering Agency	
*Contact Name for Administering Agency	*Telephone	*Amount

**\*Type of Funds**

Grant funds awarded

Date grant funds approved

Grant funds applied for, not yet approved

Estimated approval date

Appropriated funds

Date appropriated

Other, explain

\*Is documentation containing the scope of work and budget for the other grant funds included with application?

Yes No

\*Is documentation (such as grant approval letter) that verifies the availability of funds included in the application?

Yes No

Check to add program information for additional State of Federal funds that will be used as Match.

**Michigan Natural Resources Trust Fund Application 2016**

**Organization: City of Lansing**

**TF16-0081**

**Section B: Project Funding and Explanation of Match Sources**

(2) Program Name	Administering Agency	
Contact Name for Administering Agency	Telephone	Amount

Type of Funds

Grant funds awarded

Date grant funds approved

Grant funds applied for, not yet approved

Estimated approval date

Appropriated funds

Date appropriated

Other, explain

Is documentation containing the scope of work and budget for the other grant funds included with application?

Yes No

Is documentation (such as grant approval letter) that verifies the availability of funds included in the application?

Yes No

Check to add program information for additional State of Federal funds that will be used as Match.

(3) Program Name	Administering Agency	
Contact Name for Administering Agency	Telephone	Amount

Type of Funds

Grant funds awarded

Date grant funds approved

Grant funds applied for, not yet approved

Estimated approval date

Appropriated funds

Date appropriated

Other; explain

Is documentation containing the scope of work and budget for the other grant funds included with application?

Yes No

Is documentation (such as grant approval letter) that verifies the availability of funds included in the application?

Yes No

d) Cash Donations

**Michigan Natural Resources Trust Fund Application 2016**

**Organization: City of Lansing**

TF16-0081

**Section B: Project Funding and Explanation of Match Sources**

*You have entered a value for item d). Please list the individual sources and the amounts to be donated below.*

SOURCE	AMOUNT
*	
<b>Total</b>	<b>\$0</b>

\*Is a letter of intent from each donor included with the application?  
Yes No

e) Donated Labor and/or Materials

*You have entered a value for item e). Please include each item to be donated, the source, dollar value, and how the dollar value was determined.*

ITEM	SOURCE	DOLLAR VALUE	VALUATION METHOD
*			
<b>Total</b>		<b>\$0</b>	

\*Is a letter of intent from each donor included with application?  
Yes No

f) Donated Land Value (acquisition applications only)

*You have entered a value for item f). Please describe how the value of the land donation was determined.*

\*

\*Is a letter from the landowner committing to the donation of a portion of fair market value and any conditions placed upon their commitment included with application?  
Yes No

Michigan Natural Resources Trust Fund Application 2016

Organization: City of Lansing

TF16-0081

Section C1: Project Details

Land Acquisition Applications ONLY

\*Interest acquired will be (check all that apply)

- Fee Simple
- Easement
- Other

\*What are the current land uses that exist on the parcel? (check all that apply)

- Undeveloped/natural land
- Agricultural
- Residential
- Commercial (including timber extraction)
- Recreational
- Other (describe)

\*Any buildings on the site?  No  Yes

\*Any encroachments or boundary disputes with neighbors?  No  Yes

Parcel Information Table

\*Itemize estimated cost information for each parcel. For phased projects, the parcels and dollar amounts provided should include all phases.

	LANDOWNER	ACREAGE	STATE EQUALIZED VALUE (SEV)	(1) ESTIMATED APPRAISED VALUE (\$)
1)	Lansing Boat Club Inc.	7	\$22,800.00	\$78,000.00
2)				
3)				
4)				
5)				
	<b>TOTALS</b>	<b>7</b>	<b>\$22,800.00</b>	<b>\$78,000.00</b>

(2) ESTIMATED INCIDENTAL COSTS

Michigan Natural Resources Trust Fund Application 2016

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Section C1: Project Details

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Prorated Taxes	\$1,500.00		
Recording Fees	\$100.00		
Transfer Tax	\$2,400.00		
Title Insurance	\$500.00		
Appraisal Fees	\$3,000.00		
Closing Fees	\$2,500.00		
Environmental Assessment Costs	\$2,000.00	TOTAL APPRAISED VALUE (1)	\$78,000.00
<b>TOTAL</b>	<b>\$12,000.00</b>	TOTAL INCIDENTAL COSTS (2)	\$12,000.00
		<b>TOTAL ACQUISITION COSTS</b>	<b>\$90,000.00</b>

Comments:

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Section D: Justification of Need

- \*1) If you are submitting multiple acquisition or development applications, what is the priority for this application? (1 = highest) 1
- \*2) What page(s) of your recreation plan is the need for the proposed project discussed? From: 71 To: 72  
*If proposed project is on only one page, please enter the page number in both boxes*
- \*3) What was the date(s) of public meeting to discuss submission of the grant application? 3/14/2016  
Additional dates:
- \*4) Did you gather public input from individuals with disabilities, their families, or advocates?  No  Yes
- \*5) Are you the primary provider of recreation services to any surrounding communities, as documented in your recreation plan?  No  Yes  
List Communities:
- \*6) Was the application developed through collaboration with adjacent communities or school districts?  No  Yes

**Michigan Natural Resources Trust Fund Application 2016**

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**Section E: Application History and Stewardship**

1

	<u>NO</u>	<u>YES</u>
*1) Questions 1 is for <i>acquisition applications only - for development projects, leave blank and move to question 2.</i> Is the applicant financially solvent to complete the acquisition transaction without any third party assistance (i.e. loans, lines of credit, same day closings, etc.) until partial reimbursement and final audit is completed (approximately 180 days after closing)? If yes, please provide documentation that supports this.		✓
* 2) Has applicant received DNR recreation grant(s) in the past?  If yes, does applicant currently have an open, active grant?	✓	✓
*3) Has applicant closed, sold, or transferred any parkland or recreation facilities in the past 5 years?		✓
*4) Does applicant have a known unresolved conversion of grant-assisted parkland? (a conversion is a change from public outdoor recreation use to some other use)	✓	
*5) Does applicant have a "residents only" policy for this park or other parks or recreation facilities?	✓	
*6) Do you now or do you intend in the future to charge an entrance fee to the project site?  If yes, fee schedule and policy for reduced entrance fees for low-income users included with application?  If yes, attach supporting Documentation on Required Attachments page.	✓	
*7) What is the applicant's current year budget for parks and recreation?		\$10,938,700. 00
*8) What are the estimated operation and maintenance costs associated with the project?		\$1,000.00

**Comments:**

1. There is currently over \$90,000 in the Park Acquisition and Development account available for the match.
3. We have sold a portion of our park maintenance yard to a private concern (Neogen).

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Section F: Site Conditions

	<u>NO</u>	<u>YES</u>	<u>UNKNOWN</u>
*1) Does the applicant, landowner, or others have knowledge that any portion of the property is or has been used for industrial purposes, including manufacturing and/or minerals' processing or extraction (sand, gravel, oil, or gas) at this time or in the past?	✓		
*2) Does the applicant, landowner, or others have knowledge that any portion of the property is currently being used or has been used in the past for a gas station, motor vehicle service or repair facility, commercial printing facility, dry cleaners, photo developing lab, junkyard, landfill, waste treatment, storage, processing or recycling or disposal facility?	✓		
*3) Does the applicant, landowner, or others have knowledge that any of the following are or have in the past been stored, discarded, or used on the property – automotive or industrial batteries, pesticides or other chemicals used in agricultural practices, paints, industrial waste, or other chemicals in drums or other containers?	✓		
*4) Does the applicant, landowner, or others have knowledge that fill dirt or other fill material of unknown origin is on this property or has in the past been placed on the property?	✓		
*5) Does the applicant, landowner, or others have knowledge of any evidence of leaks, spills, or stains from a substance other than water at this time or in the past?	✓		
*6) Does the applicant, landowner, or others have knowledge that there are or have in the past been waste disposal pits, lagoons, or ponds on the property?	✓		
*7) Does the applicant, landowner, or others have knowledge that there are at this time or have in the past been registered or unregistered storage tanks on the property?	✓		
*8) Does the applicant, landowner, or others have knowledge that contaminated groundwater lies below the property?	✓		
*9) If there is a water well on the property, does the applicant, landowner, or others have knowledge that contaminants have been identified in the well that exceeded legal standards or has the well been identified as contaminated by a government agency?	✓		

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Section F: Site Conditions

\*10) Has the landowner been notified about any current violations of environmental laws pertaining to activities on the property or does applicant, landowner, or others have knowledge about past violations? ✓

\*11) Has the landowner been notified of any environmental assessments of the property that identified a) the presence of hazardous substances, petroleum products, or contamination; or b) the need for further assessment? ✓

\*12) Does the applicant, landowner, or others have knowledge that any hazardous substances, unidentified waste materials, tires, or automotive or industrial batteries have been dumped above ground, buried, or burned on the property? ✓

\*13) Is the property listed on any federal or state list of contaminated sites, including the site of a leaking underground storage tank? ✓

\*14) Does the applicant, landowner, or others have knowledge that any of the adjoining properties are currently being used or have been used in the past for the purposes listed in the previous questions 1-13? ✓

\*15) Has an environmental assessment been completed for the site?  
If yes, provide the most current on the Required Attachments page. ✓

NO                      YES                      UNKNOWN

\*16) Are permits required for the development of the site?  
If yes, please complete the following table: ✓

TYPE OF PERMIT	PERMITTING AGENCY	EFFORTS TAKEN TO OBTAIN PERMIT OR DETERMINING PERMIT REQUIREMENTS

If 'Yes' or 'Unknown' was selected for any of the questions on this page, please explain here:

Section G: Natural Features of The Project Site

To the best of your knowledge, does the project site include:

**\*Great Lakes shoreline or Great Lakes connecting water frontage?** ✓ No Yes

If yes, name of Great Lake or Great Lakes connecting water:

How many linear feet of shoreline or frontage?

**\*Inland lake frontage?** ✓ No Yes

If yes, name of water body:

What is the size of the total water body in acres?

How many linear feet of frontage are on site?

**\*River and/or tributary frontage?** No ✓ Yes

If yes, name of water body:

Grand River

How many linear feet of frontage?

800

Is the river or tributary a state natural river or a federally dedicated wild and scenic river?

✓ No Yes

**\*Wetland acreage or frontage?** No ✓ Yes

If yes, please list the number of acres of the type(s) of wetland(s) on site:

Marsh	Bog		Dune and swale complex
Prairie	Forest	1	Boreal Forest
Fen	Shrub		Type unknown

Is documentation of type and quality with application? ✓ No Yes

If yes, source of information:

**\*Other water acreage or frontage?** ✓ No Yes

If yes, name of other water body:

Is the entire water body completely within the site boundaries?

No Yes

How many linear feet of frontage or acres of water are on site?

**\*Sand dunes?** ✓ No Yes

If yes, list the number of acres of sand dunes on the site:

Critical Not designed as critical, or designation unknown

Is documentation of type and quality provided with application?

No Yes

If yes, source of information:

**\*Dedicated state or federal listed wilderness or dedicated natural area or** ✓ No Yes

**Pigeon River County State Forest land or inholding?**

If yes, name of area:

How many acres on site?

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Section G: Natural Features of The Project Site

**\*Rare species or any other significant feature as defined by the Michigan  
Natural Features Inventory?**

No Yes

If yes, list species or feature and status.

if too many to list here, include in the application narrative.

Population/range locations denoted on site plan or other map?

No Yes

Section H: Wildlife Values of The Project Site

***Will the proposed park or park development:***

**\* Protect wildlife habitat** (for example, breeding grounds, winter deeryards, den sites)?

No  Yes

If yes, list species:

deer, turkey

How many acres of habitat does the site provide?

7.00

**\*Act as a wildlife corridor between existing protected areas or buffer an existing protected area?**

No  Yes

If yes, name the existing park(s) or protected area(s):

Fulton and Hunter's  
Ridge Parks

How many acres are currently in protected status?

80.00

Is documentation of the ecological value of adjacent protected areas and/or the ability of the project site to act as a corridor/buffer provided with application?

Yes  No

If yes, source of information:

Section I: Natural Resource Recreation Opportunities

Will the proposed park or park development provide new or additional:

\*Water recreation opportunities? No  Yes

\*Motorized recreation opportunities (ORV and/or Snowmobile)?  No Yes

\*Hunting Opportunities?  No Yes

If yes, what seasons will be available? (for example, deer/firearm)

How many acres will be available for hunting?

\*Fishing opportunities? No  Yes

If yes, what type of fishing opportunities will be provided? (species/methods)

bass, pike, crappie and carp

\*Bird watching or other nature viewing opportunities? No  Yes

If yes, what species can be viewed?

many native Michigan species

\*Nature interpretation or education opportunities?  No Yes

If yes, how are the interpretation or education opportunities provided? (check all that apply)

- Interpretive signage  Part time or volunteer naturalist
- Interpretive brochures  Full time naturalist
- Nature center

Have you formed a partnership with another organization to provide  No Yes

interpretive/educational services?

If yes, name of organization

Provided examples of interpretive materials, descriptions of classes, and other documentation on the interpretive/educational services provided with application:

Section J: Public Access Opportunities

\* Will the site be open to the general public? No  Yes

List the hours open to the public:

	From	To	Closed
Sunday	dawn	dusk	
Monday	dawn	dusk	
Tuesday	dawn	dusk	
Wednesday	dawn	dusk	
Thursday	dawn	dusk	
Friday	dawn	dusk	
Saturday	dawn	dusk	
Holidays	dawn	dusk	

Comment:

How will the public reasonably able to access this site?

- Automobile
- Boat
- Public Transportation
- Motorized Trail
- Non-Motorized Trail including Mountain Bike and Hiking Trails
- Sidewalk or Pathway
- Other (describe)

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Section K: Trails

\* Is the proposed site a trail?

No  Yes

Who is the primary intended user? (Check one)

Hikers/Pedestrians	Road Bicyclists	Equestrians
<input checked="" type="checkbox"/> Mountain Bicyclists	Cross-Country Skiers	Snowmobilers
Other motorized vehicle users	Other, explain:	

Who are the secondary users?

<input checked="" type="checkbox"/> Hikers/Pedestrians	Road Bicyclists	Equestrians
Mountain Bicyclists	Cross-Country Skiers	Snowmobilers
Other motorized vehicle users	Other, explain:	

Is the trail connected to another trail(s) or part of a larger trail network?

No  Yes

If yes, what is the name of the network?

How long is the trail?

35000 Total linear feet  
Linear feet bituminous (paved)  
Linear feet boardwalk (if applicable)  
Linear feet sidewalk  
35000 Linear feet other hard surface

What is the width of the trail?

2 Linear feet

\* Is this proposed project part of the Iron Belle Trail (Governor's Showcase Trail)?

Yes  No

Application Narrative

\*I. Project Justification and Support:

Due to the strategic location of the parcel to be acquired, trail development along the Grand River corridor, would be limited to each individual park. Currently there are two separate trail systems at Hunter's Ridge and Fulton Parks.

Additionally the parcel is land lock, being sandwiched in between two recreational areas, having no access for any type of development, making park the highest and best use. Other factors such as being within the 100 year flood plain and a forested, natural area would lend itself well to recreational and preservation purposes.

The Lansing Park Board, Planning Commission and City Council have endorsed the purchase of the land. The Mid Michigan Mountain Biking Association has been very active in the promotion and development of a trail system which eventually traverse through this parcel. However the most significant support is the current owner who is interested in selling.

\*II. Project Description:

This land purchase would connect to two adjoining parks, Hunter's Ridge and Fulton, enabling the construction of a non-motorized trail of 6 miles or more in length. This acquisition would also greatly enhance possible landing sites for watercraft users for Grand River Water Trail, which runs from Jackson County to Lake Michigan at Grand Haven/Ferrysburg. Currently shore fishing is quite popular in this section of the river. Having it in public ownership would insure future access for said activities.

\*III. Natural Resource Access and Protection:

This acquisition would preserve natural forested environment, provide access for fishing activities and protect the wildlife corridor. There is a large deer population that migrates along the east bank of the Grand River, through Fine, Fulton and Hunter's Ridge Parks.

All of the acreage of the parcel is relatively flat, level site, well within the 100 year flood plain. During the spring of the year it serves as a retention area for flooding for several weeks.

\*IV. Other Information:

**RESOLUTION # \_\_\_\_\_**

**BY THE COMMITTEE ON DEVELOPMENT AND PLANNING**

**Act-16-2015, Acquisition of Boat Club property (040-025-400-180-00)**

WHEREAS, Lansing Parks and Recreation proposes that the City acquire a parcel, currently owned by the Lansing Boat Club, for parks purposes; and

WHEREAS, on March 23, 2015 the City Council adopted Resolution #077 the City of Lansing Parks and Recreation Five Year Master Plan for 2015 - 2020 which states as a goal to acquire land adjacent to and along the river; and

WHEREAS, Michigan Natural Resources Trust Fund (MNRTF) grants are currently available for projects contained in the Parks and Recreation Five Year Master Plan and for the acquisition of lands suitable for park use; and

WHEREAS, the property has frontage on the Grand River, and connects Fulton, Fine and Hunter's Ridge parks, and is thus a key location for developing a non-motorized trail; and

WHEREAS, the Park Board has recommended on November 18, 2015 submitting a MNRTF grant to the Michigan Department of Natural Resources (MDNR); and

WHEREAS, at its meeting on January 5, 2016, the Planning Board reviewed this proposed acquisition in accordance with its Act 33 Review procedures and found that:

- the area would retain the same rural character, with some future park-like improvements anticipated in the future,
- the grant-funded acquisition of this property would require its dedication as parkland, and would preclude its use for private development,
- the acquisition proposal is in conformance with the *Design Lansing* Comprehensive Plan; and

WHEREAS, the Planning Board voted unanimously (6-0) to recommend approval of Act-16-2015, the acquisition of the subject property for public parks purposes; and

WHEREAS, the MNRTF requires a resolution from the governing body of the applicant supporting the application and committing the amount and source of the required match specified in the application;

NOW, THEREFORE BE IT RESOLVED that a Public Hearing beheld on \_\_\_\_\_  
In the City Council Chambers, 10<sup>th</sup> Floor, City Hall, Lansing, Michigan in consideration of a grant application to Michigan Natural Resources Trust Fund for the acquisition of lands suitable for park development.

City of Lansing  
Notice of Public Hearing

The Lansing City Council will hold a public hearing on March 28, 2016 at 7:00 p.m. in the City Council Chambers, 10th Floor, Lansing City Hall, Lansing, MI, for the purpose stated below:

To afford an opportunity for all residents, taxpayers of the City of Lansing, other interested persons and ad valorem taxing units to appear and be heard on the making of a Michigan Natural Resources Trust Fund grant application for the land acquisition of the Lansing Boat Club parcel: 040-025-400-180-00. The vacant land parcel is a forested riverfront site located in southwest Lansing, Delta Township, but more particularly described as:

COM. 2250.8 FEET W FROM SE CORNER OF SEC. 25, N 190 FEE, N 11DEG 30MIN W TO GRAND RIVER, SWLY UP GRAND RIVER TO S LINE OF SEC. 25, E TO BEG.SEC. 25, T4N R3W.DELTA TWP.

Total project amount is estimated at \$90,000 of which 75% will be from the state grant.

Approval of this purchase will expand existing park land along the river already owned by the City of Lansing. Further information regarding this issue, may be obtained from Brett Kaschinske – Director of Parks and Recreation, City of Lansing, 200 N. Foster Avenue, Lansing, Michigan, (517) 483-4042.

**PARK BOARD MEETING  
Foster Community Center  
November 18, 2015**

**MEMBERS PRESENT:** Rick Kibbey, Veronica Gracia-Wing, Bryan Beverly, Rosalinda Hernandez, Paul Holland, Rita O'Brien, James McClurken (arrived after 8 p.m.)

**MEMBERS ABSENT:** Gib King

**OTHERS PRESENT:** Brett Kaschinske, Parks and Recreation Director; Kellie Brown, Board Secretary; John Flaherty, Friends of Bancroft Park; Trek Vandecar; Jarl Brey, Capitol Zip

**CALLED TO ORDER:** 7:05 p.m.

**ADDITIONS/DELETIONS TO THE AGENDA**

Rick Kibbey added update on County Trails Millage meetings; Brett Kaschinske added Baseball Complex

**STATEMENTS OF CITIZENS**

None

**BOARD MEETING MINUTES**

Bryan Beverly moved to approve the September 9, 2015 and October 14, 2015 minutes as submitted; seconded by Veronica Gracia-Wing. 6 yeas; 0 nays

**Motion carried.**

**NEW BUSINESS**

**Capitol Zip Line**

Jarl Brey, Capitol Zip, stated he attended the July 2015 Park Board meeting and presented a plan for a zip line located in Old Town. It was recommended by the Board to review other sites for the zip line. Brey stated he met with Brett and reviewed a location near Turner Dodge and recently met with Brett and other City representatives at Riverfront Park.

Those meetings led to a new proposed site located at Saginaw and Grand, north of Saginaw Street. Brey provided a presentation with two plans for the new site, size of structure, floodway area and footing information. Plan A has the course and landing tower parallel to Saginaw and Plan B has the course located further north placing the zip line on an angle across the bridge. Plan B does not appear at this time to present any issues with existing infrastructure. Brey has spoken with Norfolk Southern about leasing the land for Plan B and they are receptive to the idea. He is also working the building owner to utilize the Ellis building for their retail space. Parking options have also been discussed.

Gracia-Wing inquired what trees would need to be removed for the project.

Kaschinske stated nothing more than 50' tall or 15" in diameter.

Holland stated he preferred Plan B and prefers this location to the proposed location presented in July. Gracia-Wing agreed.

Holland inquired if the City would sign off on the permits and does the City have appropriate staff to do so.

Kaschinske stated he thinks so when you consider the buildings in downtown Lansing and they start with steel pilings.

Gracia-Wing inquired about a time line.

Brey stated the timeline is based on investment finalization.

Kaschinske stated there will be DEQ filings and since this is on park land it will need to go to the Planning Board.

Hernandez inquired what the cons are. What is the public input, have there been injuries and what are the liability issues.

Kaschinske stated there are few residents in the area and Plan B option has less interference with the River Trail.

Brey stated the harness mechanism does not allow participants to detach themselves. This manufacturer has equipment placed all over the world and there has been one fatality and participants would sign a waiver.

Brey stated they are offering a percentage of gate revenue back to the Parks and Recreation Department and their plan is to offer leadership programs in cooperation with the Lansing School District.

Holland made a motion to continue with discussion on the project with a preference to site Plan B with the second choice being site Plan A and contingent upon all negotiations discussed this evening; seconded by Bryan Beverly. 6 yeas; 0 nays

**Motion carried.**

#### **Lansing Boat Club Property**

Kaschinske stated the Lansing Boat Club owns a piece of property on the south side of the river west of Waverly Road. The parcel attaches to Fulton, Fine and Hunter Parks. He is proposing purchasing the property with a Michigan DNR land acquisition grant.

Gracia-Wing inquired Lansing Boat Club's status on this purchase. Kaschinske stated they have signed off to sell the property.

Gracia-Wing inquired about the purchase price. Kaschinske stated land acquisition grants are based on assessed/appraised value and the City's match would probably not be any more than \$25,000 and there are funds available in the department's acquisition account.

Beverly moved to move forward with the purchase of the property; seconded by Holland. 6 yeas; 0 nays.

**Motion carried.**

#### **Renaming Westside Park – Rudy/Dorothy Wilson**

Kaschinske stated this request is from the office of Mayor Bernero and was mentioned at Mr. Wilson's memorial.

Kaschinske stated the estimated cost of the sign is \$1,500.00, plus installation.

Holland moved to table this request until Old Oakland Neighborhood Association is contacted; seconded by Hernandez. 6 yeas 0 nays.

**Motion carried.**

Gracia-Wing stated Mr. Wilson was associated with the Westside Neighborhood Association and this park is not part of WNA.

#### **BWL Easement**

Kaschinske stated this is located at Westside Park and the current easement is on the rail property. This is an easement to put underground utilities in the park and eliminate the need for utility poles. There would be no need for tree removal. There is a cost to hook up and provide utilities to the north end of the park.

Kibbey has concerns about the cost for the additional hook up the City is requesting and BWL is getting the easement at no cost.

This agreement is tabled until next month pending more information on the financial arrangements.

**OLD BUSINESS** (All items have been presented and discussed at previous meetings)

#### **Ranney Skate Park Bike Rules**

Holland inquired if these have gone to the City Attorney.

Holland moved to approve the rules with review by the City Attorney; seconded by Beverly. 6 yeas; 0 nays

**Motion carried.**

#### **Naming, Re-naming, Memorial Policy**

Holland stated he appreciated the work that was put into this and moved to approve the new guidelines; Beverly seconded. 6 yeas; 0 nays.

**Motion carried.**

#### **Park Board Rules**

Kaschinske stated these were approved previously, however the new City Attorney assigned to Parks added item seven (7) to the rules to correspond with the City Charter. *If a member is absent for more than three (3) unexcused absences annually, the member may be removed from the Board by an affirmative vote of 2/3 of the members serving on the Park Board, excluding that member.*

Beverly moved to approve; seconded by Holland. 6 yeas; 0 nays

**Motion carried.**

#### **Crego Park Cell Tower**

Kaschinske provided a map with the new site location within Crego Park. The new site is further from the River Trail and provides room for tree debris caused by large storms.

Gracia-Wing moved to approve the new site; seconded by Beverly. 6 yeas; 0 nays

Motion carried.

Fairway Lane

Kaschinske reviewed where the property is located.

Holland moved to support the sale of the property; seconded by Beverly. 6 yeas; 0 nays

Motion carried.

UPDATES

Bancroft Park

Kaschinske received a letter from Brian Cenci, engineer for the Groesbeck drain project providing answers to the Board's questions regarding the article in the paper. The document will be e-mailed out to Board members.

Kaschinske stated there was a pre-construction meeting last week and the project will start on Groesbeck first.

Kaschinske stated the entire project has been agreed upon and the City has received payment.

Hernandez commented at the walk through at Bancroft Park the Friends stated they do not want the sidewalk, the new sledding hill or the pathways paved.

Baseball Complex

Kaschinske stated there is a plan, in its infant stages, for a baseball complex similar to the concept of Beacon Field. More information will be forthcoming at future meetings.

Meeting adjourned 9:00 p.m.

**RESOLUTION # \_\_\_\_\_**

**BY THE COMMITTEE ON DEVELOPMENT AND PLANNING**

**Act-16-2015, Acquisition of Boat Club property (040-025-400-180-00)**

WHEREAS, Lansing Parks and Recreation proposes that the City acquire a parcel, currently owned by the Lansing Boat Club, for parks purposes; and

WHEREAS, on March 23, 2015 the City Council adopted Resolution #077 the City of Lansing Parks and Recreation Five Year Master Plan for 2015 - 2020 which states as a goal to acquire land adjacent to and along the river; and

WHEREAS, Michigan Natural Resources Trust Fund (MNRTF) grants are currently available for projects contained in the Parks and Recreation Five Year Master Plan and for the acquisition of lands suitable for park use; and

WHEREAS, the property currently vacant and undeveloped , and is located in Delta Township, just outside the western city limits; and

WHEREAS, the property has frontage on the Grand River, and connects Fulton, Fine and Hunter's Ridge parks, and is thus a key location for developing a non-motorized trail; and

WHEREAS, the Design Lansing Comprehensive Plan depicts this property as a location for future Rivertrail development; and

WHEREAS, the Park Board has recommended on November 18, 2015 submitting a MNRTF grant to the Michigan Department of Natural Resources (MDNR); and

WHEREAS, at its meeting on January 5, 2016, the Planning Board reviewed this proposed acquisition in accordance with its Act 33 Review procedures and found that:

- the area would retain the same rural character, with some future park-like improvements anticipated in the future,
- the grant-funded acquisition of this property would require its dedication as parkland, and would preclude its use for private development,
- with riverfront access and Woldemar Nature Center located across the river to the southwest, the site offers substantial potential for travel between parks as well as nature tourism,
- the acquisition proposal is in conformance with the *Design Lansing* Comprehensive Plan; and

WHEREAS, the Planning Board voted unanimously (6-0) to recommend approval of Act-16-2015, the acquisition of the subject property for public parks purposes; and

WHEREAS, the Committee on Development and Planning has reviewed the report and recommendation of the Planning Board, concurs therewith;

WHEREAS, the amounts and sources of the project funding are as follows:

Total estimated property value	\$78,000
Estimated Incidental Costs	\$12,000
Total Project Cost	\$90,000
Amount Requested from the MNRTF (75% grant)	\$67,500
Amount Requested from local sources (25%)	\$22,500

WHEREAS, sufficient funds for the local match are currently available in the Park Acquisition and Development account; and

WHEREAS, the MNRTF requires a resolution from the governing body of the applicant supporting the application and committing the amount and source of the required match specified in the application; and

NOW THEREFORE BE IT RESOLVED, the Lansing City Council hereby approves Act-16-2015, the purchase of the property legally described as:

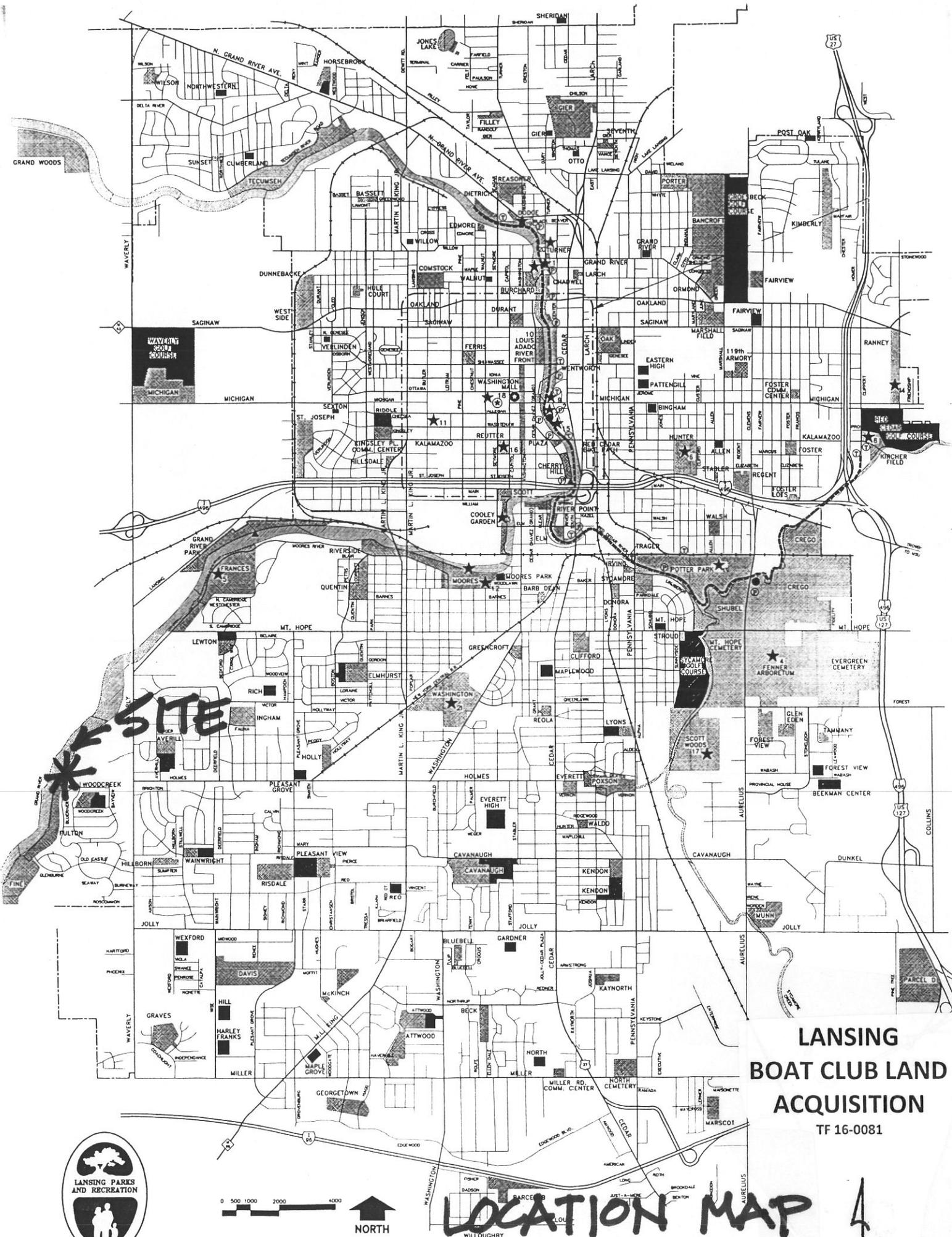
Com. 2250.8 feet W from SE Corner of Section 25, N 190 Feet, N 11 Deg. 30 min. W to Grand River to S Line of Section 25, E to Beginning, Section 25, T4N R3W, Delta Twp., Eaton County, Michigan

COM.2250.8 FEET W FROM SE CORNER OF SECTION 25, N 190 FEET, N 11 DEG. 30 MIN W TO GRAND RIVER, SWLY UP GRAND RIVER TO S LINE OF SETION 25, E TO BEGINNING, SECTION 25, T4N R3W, DELTA TWP

BE IT FURTHER RESOLVED that the City Council hereby dedicates the above-described property for public park use.

BE IT FINALLY RESOLVED that if the grant monies are awarded, the City of Lansing will accept the terms of the agreement as received from the Michigan Department of Natural Resources (MDNR) and the administration will be authorized to establish the appropriate accounts and to administer and monitor the grant as shall be necessary to complete the project, but not by way of limitation, as follows:

1. To maintain satisfactory financial accounts, documents and records to make them available to the MDNR for auditing at reasonable times.
2. To provide such funds, services and materials as may be necessary to satisfy the terms of said agreement.
3. To authorize the Mayor of the City of Lansing to be the local authorize representative to sign legal documents in behalf of the City of Lansing.



**LANSING  
BOAT CLUB LAND  
ACQUISITION**  
TF 16-0081



**LOCATION MAP**

NORTH

GRAND RIVER

LANSING  
BOAT CLUB  
PARCEL

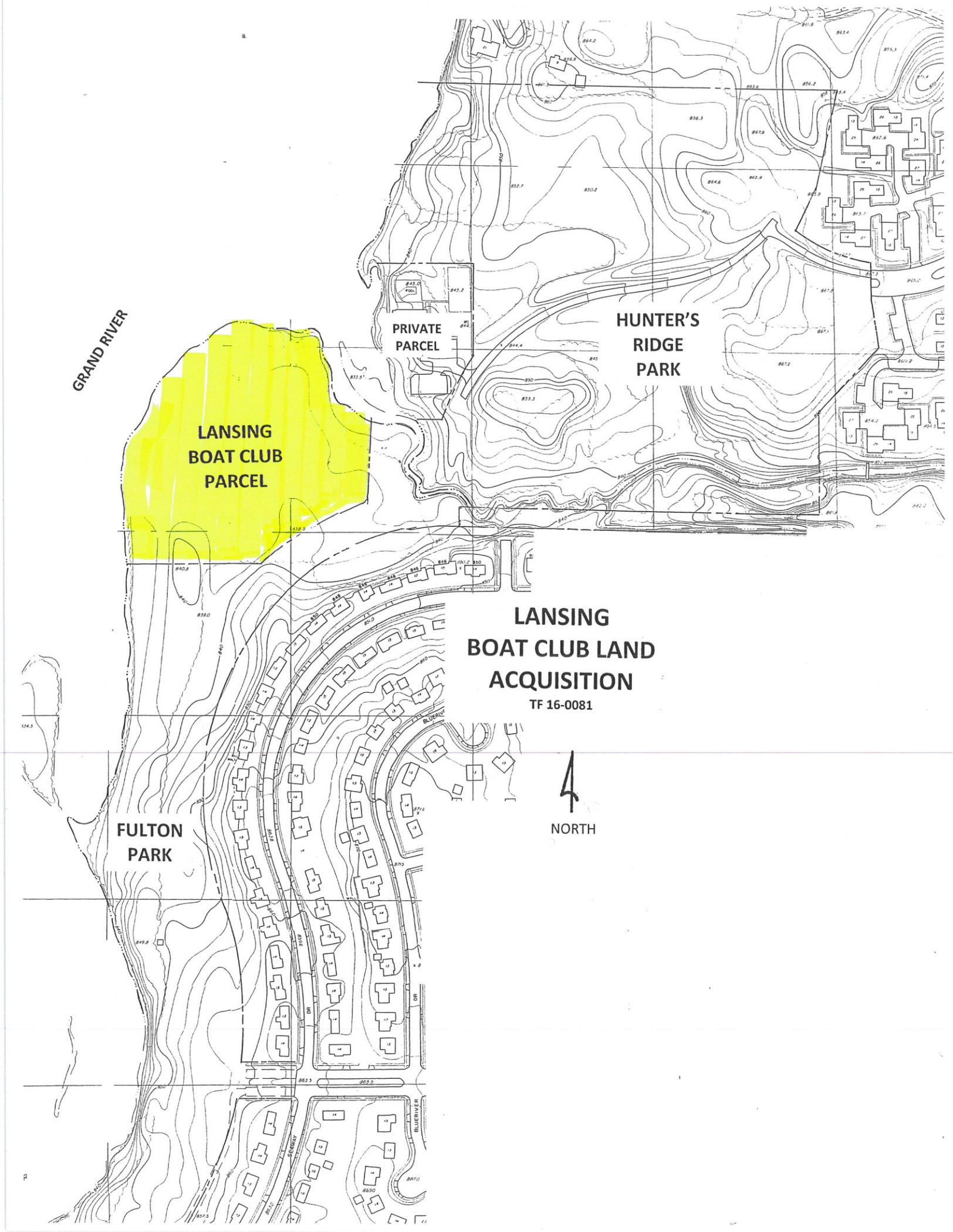
PRIVATE  
PARCEL

HUNTER'S  
RIDGE  
PARK

LANSING  
BOAT CLUB LAND  
ACQUISITION

TF 16-0081

FULTON  
PARK



**RESOLUTION #328**  
BY THE COMMITTEE OF THE WHOLE  
Resolved by the City Council of the City of Lansing

WHEREAS, the Lansing City Council adopted a temporary moratorium in order to study the effectiveness of PILOTS on housing needs for the community. After an extensive review of Payments in Lieu of Taxes (PILOTS) to determine whether they were meeting the goals of Council, it was concluded that not only did the use of PILOTS provide housing for the low to moderate incomes, but they have a positive affect on crime in the area and improves the affected property values; and

WHEREAS, the Committee of the Whole met to discuss the findings of the study that indicated that PILOTS are a tool that may be used to improve properties through rehabilitation, helping to make a project affordable to justify extensive improvement cost instead of maintaining the status quo. Without this tool, it is likely some significant rehabilitation projects would not occur within the community and organizations that utilize PILOTS for rehab projects would seek work elsewhere; and

WHEREAS, the Committee of the Whole met on June 19, 2003 to review the PILOT policy and process and endorsed it;

NOW, THEREFORE, BE IT RESOLVED, that the Lansing City Council adopts the June 19, 2003 PILOT Policy and process for PILOTS filed June 20, 2003 with the City Clerk to become effective July 1, 2003.

BE IT FINALLY RESOLVED, that new developments be restricted to the 10% PILOTS, while PILOTS for less than 10% be available on a case by case basis utilizing the June 19, 2003 PILOT Policy.

By Councilmember Jeffries

Carried Unanimously

**PILOT Policy  
June 19, 2003**

**PILOT PROPOSAL**

**0-9% PILOT**

Criteria for Analysis:

1. Project is for rehabilitation, conversion or adaptive reuse of existing building and will be to develop affordable housing or shelter facility.
2. Project is located in approved City target area such as a CDBG eligible area, Neighborhood Strategy Area or Renaissance Zone qualified area. Develop a map.
3. Project is part of and supported by an overall neighborhood improvement or revitalization plan or strategy as recognized by the City. Examples include a Neighborhood Preservation Program plan, City Master Plan or other City development plan such as the Seven Block Plan. Development of such plan shall have included a Citizen participation process.
4. Application for PILOT shall include the following:
  - a. Request and description of project
  - b. Description of organization, list of board members and/or partners and information about development background and experience
  - c. Construction and operating proformas for project
  - d. Tax Credit application including market study
  - e. Proposed time line for project
  - f. Capital improvements schedule for project over life of PILOT
5. Recommendation from Administration on % and term based on analysis of the above and need for PILOT. Review by Finance, Law, Planning and Development.
6. Requirement that developer provide to City annual report and audit of project prepared for MSHDA or other mortgage entities.

**10% PILOT**

Automatically available for all other affordable housing projects not meeting above criteria.

**OTHER CONSIDERATIONS**

1. Consider granting 0-9% PILOTS for a shorter period, say 10 years, and then re-evaluate performance and need for possible extension thereafter.
2. Grant a better % as an incentive to promote mixed income housing in association with new construction. For example: projects with 15% of the units reserved for market rents would be eligible to receive an 8% PILOT; projects with 30% reserved, 6% PILOT; projects with 45% reserved, 4%.

**CURRENT PILOT STATS (Approximate)**

Current Pilot Units - 3664 (6.7% of total units in City)  
1235 - elderly (34%)  
885 - LHC (24%)

2579 - 4% PILOT or less  
1065 - greater than 4% PILOT

## PILOT Process

### Flow Chart

1. City Council receives request
2. City Council refers request & information to distribution agency and law office for legal document preparation.
3. Distribution agency reviews information supplied for completeness and request further info as necessary. Once complete information is received then:
4. Distribution agency refers the application to necessary agencies for comment & preparation of paperwork (Finance, Development, Planning, Code Compliance, Police, Fire Marshall)
5. Public hearing is set by City Council
6. Public hearing is held & PILOT referred to committee
7. Comments are received by reviewing agencies (3-4 weeks)
8. Comments are summarized and supplied to City Council through the administration with any recommendation.
9. Council committee considers request and information received and makes recommendation.
10. Council takes actions.

Time frame is approximately 60 days

**PILOT REQUEST  
AGENCY REFERRAL SHEET**

**FROM:**

**FILE:**

**DATE:**

- Development Office
- Code Compliance
- Police
- Fire Marshal
- City Attorney
- Finance
- Planning

Other \_\_\_\_\_

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The following request has been submitted to City Council for consideration. We invite your comments, requirements and recommendations for this proposal relative to your official function and in relation to the attached policy.

**PROPOSAL:**

**LOCATION:**

This is a request by for a \_\_\_\_% PILOT (Payment in Lieu of Taxes) for the property at \_\_\_\_\_. The applicant intends to rehabilitate the \_\_\_\_ unit residential property. Attached, please find the application and supportive information supplied by the applicant.

Please provide your remarks in the space provided below, and return this sheet to the Planning Office **by** \_\_\_\_\_ **5:00 p.m.** or **fax** to **483-6036** or e-mail to \_\_\_\_\_@ci.lansing.mi.us

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\_\_\_\_\_  
Representative

\_\_\_\_\_  
Date

RESOLUTION # 0556 Passed by Council on October 28, 2002  
BY THE COMMITTEE OF THE WHOLE  
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the State of Michigan enacted the State Housing Development Authority Act in 1966 to provide housing for its residents of low income and to encourage the development of such housing through rehabilitation by providing for tax breaks, specifically a payment in lieu of taxes (PILOT), as an option for local communities to enhance the likelihood of those developments; and

WHEREAS, the Lansing City Council, acknowledging that the construction and rehabilitation of such housing for persons of low income is a public necessity and believing that the City would be benefitted and improved by such housing, enacted ordinances to grant PILOTs for the development of low-income elderly persons and multi-family dwelling projects; and

WHEREAS, the Lansing City Council has approved over 25 requests from developers for PILOTs to help finance the building or the rehabilitation of low income housing since 1978; and

WHEREAS, the Lansing City Council desires to analyze whether the existing PILOTs have met or are meeting the expectations and justifications for the PILOT program and effect of future PILOTs;

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council hereby establishes that a six-month moratorium on PILOTs beginning January 1, 2003, to enable the Council to analyze the impact PILOTs in Lansing.

BE IT FURTHER RESOLVED that the Administration is requested to provide information that is necessary to expedite the completion of the analysis at or before the time period of this moratorium.

By Vice President Carol Wood to accept the Substitute Resolution

Yeas: 7

Nays: 0

Absent: 1 (Councilmember Allen)

**RESOLUTION #328**  
**BY THE COMMITTEE OF THE WHOLE**  
Resolved by the City Council of the City of Lansing

WHEREAS, the Lansing City Council adopted a temporary moratorium in order to study the effectiveness of PILOTS on housing needs for the community. After an extensive review of Payments In Lieu of Taxes (PILOTS) to determine whether they were meeting the goals of Council, it was concluded that not only did the use of PILOTS provide housing for the low to moderate incomes, but they have a positive affect on crime in the area and improves the affected property values; and

WHEREAS, the Committee of the Whole met to discuss the findings of the study that indicated that PILOTS are a tool that may be used to improve properties through rehabilitation, helping to make a project affordable to justify extensive improvement cost instead of maintaining the status quo. Without this tool, it is likely some significant rehabilitation projects would not occur within the community and organizations that utilize PILOTS for rehab projects would seek work elsewhere; and

WHEREAS, the Committee of the Whole met on June 19, 2003 to review the PILOT policy and process and endorsed it;

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BE IT FINALLY RESOLVED, that new developments be restricted to the 10% PILOTS, while PILOTS for less than 10% be available on a case by case basis utilizing the June 19, 2003 PILOT Policy.

By Councilmember Jeffries

Carried Unanimously

**PILOT Policy  
June 19, 2003**

**PILOT PROPOSAL**

**0-9% PILOT**

Criteria for Analysis:

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  - d. Tax Credit application including market study
  - e. Proposed time line for project
  - f. Capital improvements schedule for project over life of PILOT
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6. Requirement that developer provide to City annual report and audit of project prepared for MSHDA or other mortgage entities.

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**OTHER CONSIDERATIONS**

1. Consider granting 0-9% PILOTs for a shorter period, say 10 years, and then re-evaluate performance and need for possible extension thereafter.
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5. Public hearing is set by City Council
6. Public hearing is held & PILOT referred to committee
7. Comments are received by reviewing agencies (3-4 weeks)
8. Comments are summarized and supplied to City Council through the administration with any recommendation.
9. Council committee considers request and information received and makes recommendation.
10. Council takes actions.

Time frame is approximately 60 days

**PILOT REQUEST  
AGENCY REFERRAL SHEET**

**FROM:**  
**DATE:**

**FILE:**

- 
- |   |                                      |
|---|--------------------------------------|
| <input type="checkbox"/> Development Office | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Code Compliance    |                                      |
| <input type="checkbox"/> Police             |                                      |
| <input type="checkbox"/> Fire Marshal       |                                      |
| <input type="checkbox"/> City Attorney      |                                      |
| <input type="checkbox"/> Finance            |                                      |
| <input type="checkbox"/> Planning           |                                      |

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The following request has been submitted to City Council for consideration. We invite your comments, requirements and recommendations for this proposal relative to your official function and in relation to the attached policy.

**PROPOSAL:**

**LOCATION:**

This is a request by for a \_\_\_\_\_% PILOT (Payment in Lieu of Taxes) for the property at \_\_\_\_\_  
The applicant intends to rehabilitate the \_\_\_\_\_ unit residential property. Attached, please find the application and supportive information supplied by the applicant.

Please provide your remarks in the space provided below, and return this sheet to the Planning Office by \_\_\_\_\_ 5:00 p.m. or fax to 483-6036 or e-mail to \_\_\_\_\_@ci.lansing.mi.us

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\_\_\_\_\_  
Representative

\_\_\_\_\_  
Date



**MINUTES**  
**Committee of the Whole**  
**Tenth Floor Conference Room, City Hall**  
**Thursday, June 19, 2003**  
**1:30 p.m.**

**Called to Order**

The Meeting was called to order at 1:37 p.m.

**Committee Members Present**

Councilmember Carol Wood, President  
Councilmember Joan Bauer, Vice President – Excused Absence  
Councilmember Sandy Allen  
Councilmember Harold Leeman  
Councilmember Brian Jeffries  
Councilmember Larry Meyer  
Councilmember Geneva Smith – Excused Absence  
Councilmember Randy Williams – Excused Absence

**Guests and Staff**

Terese Horn, Council Staff  
David Wiener, Mayor's Office  
Jim Smiertka, Law Dept.  
Mark Latterman, Latterman & Asso.  
Doug Rubley, Finance  
Jim Ruff, PND  
John Elashkar, BWL Interim General Manager  
Nancy Wonch, BWL Board of Commissioners  
Ron Callen, BWL Board of Commissioners  
Diane Royal, BWL Board of Commissioners

C.O.W.  
6/19/2003

Mr. Smiertka reported on the agreement and stated that the proposed resolution would approve the agreement and leave flexibility for him to make some minor changes. He expressed his support with the agreement. This resolution authorizes them to move forward with project.

**COUNCILMEMBER MEYER MADE A MOTION TO SUPPORT THE PROPOSED RESOLUTION TO PROVIDE AUTHORIZATION TO ADMINISTRATION TO PROCEED WITH THE AGREEMENT. MOTION CARRIED, 5-0.**

 **Payments in Lieu of Taxes (PILOT) Moratorium**

Mr. Ruff distributed documentation with respect to the recommendation with respect to PILOTS. He reviewed the documentation that outlined the criteria, procedures, and referrals. He reported that the research was inconclusive. However, he stated that they selected sample properties to get a well rounded idea of improvements to those granted PILOTS and to provide raw data with respect to the decline in crime. Administration determined that PILOTS were a positive tool and a means to help to improve properties. They recommend that Council adopt the policies presented as attached and reviewing it on an annual basis to determine if there needs to be changes. The PILOT program is geared to assist in getting housing into the low-moderate area and to help to get better quality affordable housing.

The Committee reviewed some properties that were developed as part of the PILOT projects. The proposed resolution would lift the present moratorium on July 1, 2003. It also would set up a process to follow when setting up a PILOT. The criteria will be important tool to help determine on whether or not to grant a PILOT.

Councilmember Wood reviewed the three choices that the Council has before them: extend the moratorium, allow moratorium to be lifted with no recommendations, or to lift the moratorium with recommendations presented from administration.

**COUNCILMEMBER MEYER MADE A MOTION FOR COUNCIL TO ENDORSE AND ADOPT THE POLICY RECOMMENDATIONS AS PRESENTED AND REFER THE REVIEW OF EACH PILOT REQUEST TO THE P&D COMMITTEE REVIEW AND TO BRING BACK TO COW BY SEPTEMBER 15<sup>th</sup>. MOTION CARRIED, 5-0.**

Council President Wood expressed that the P&D Committee needs to review PILOTS of 10% even if Council approval is not need. She also requested that the Committee look at NEZ and other tools with dealing with housing to help in the formation of a housing policy or direction by Council.

Councilmember Jeffries encouraged focusing on more homeowner occupied housing instead of rental. He suggested that this be one of the considerations that the P&D Committee have during the review process.



**MINUTES**  
**Committee of the Whole**  
**Tenth Floor Conference Room, City Hall**  
**Thursday, April 3, 2003**  
**1:30 p.m.**

**Called to Order**

The meeting was called to order at 1:32 p.m.

**Committee Members Present**

Councilmember Carol Wood, President  
Councilmember Joan Bauer, Vice President  
Councilmember Sandy Allen  
Councilmember Harold Leeman  
Councilmember Brian Jeffries  
Councilmember Larry Meyer - excused absence  
Councilmember Geneva Smith  
Councilmember Randy Williams

**Guests and Staff**

Terese Horn, Council Staff  
Ron Wilson, Council Staff  
Jim Ruff, PND  
Dave Wiener, Mayor's Office  
Doug Rubley, Finance  
Jim Smiertka, City Attorney  
Tanya Moore, Parks Dept.  
Murdock Jemerson, Parks Dept.  
David Tijerina, City Assessor

C. O. W.  
4/3/2003

Detroit Metro Airport. The program would include incentives to help counteract loss. He expressed the program will be a proactive program to promote growth. It is an aggressive program, and it is expected to be self-sufficient by the end of five years. The County has been presented with the plan and has expressed support.

Mr. Baker expressed there is also a Strategic Plan developed with a four prong approach that will also address: corporate crafts, cargo, and charter service.

Councilmembers were given an opportunity to ask questions about the program and airport services and were provided with a response.



### Update on PILOTS

Mr. Ruff updated the Councilmembers on the PILOT projects. Supporting documentation listing the suggested criteria for PILOTS and considerations for Council to determine PILOT requests under 10% was distributed to the Councilmembers. He offered a possibility of a PILOT for mixed projects. He suggested evaluating each request as to whether or not it is located in a NPP area.

Council President Wood reminded the Committee a moratorium was placed on PILOTS (under 10%) for any request received since December 31, 2002.

Mr. Tijerina displayed and reviewed a map of PILOT properties. There are approximately twenty-five PILOTS. It was explained that on a procedure standpoint, there could be a contact list developed for requests that come in for a PILOT that would list information to be provided to evaluate the PILOT requests. Thus, each one could be evaluated separately. The check list would indicate if the property was in a CDBG area or if other PILOTS were in place in the area.

Councilmember Bauer suggested examine whether or not the PILOTS have actually made a difference.

Council President Wood indicated that there is also some information that Council has requested from administration and that will be incorporated with the information that Mr. Ruff has established. After everything is put together, then the Committee would decide whether or not to go forward with PILOTS.

Councilmember Jeffries suggested including in the information whether or not the property was in a Neighborhood Enterprise Zone.

Councilmember Williams suggested inquiring whether or not there is a perceived idea in the neighborhood that the property should be rehabilitated.

This matter will be reviewed again after budget.

Pending.

**Review of Parks Department Dedicated Park Land and Other Land Managed by the Parks Department**

Mr. Jemerson appeared before the Committee and requested finalization of a designation of the proposed dedicated park land. A list of proposed dedicated park land provided in the packet was considered. Documentation indicating the differences between the 1981 resolution and the proposed resolution before Council was distributed to the Councilmembers. The Park Board supports the resolution.

Mr. Smiertka explained that after passage of dedicated park land by resolution and the property has been included as part of the Master Plan, the property could not be sold without the vote of the people. However, within the process, the Council could remove the property from the designated park land and then could be sold without the vote of the people.

Councilmember Allen requested that Parcel B be added into the dedicated park land. Mr. Jemerson stated that the property has to fit into the Five Year Master Plan of land to be developed and this parcel does not fit into that criteria. It was explained that Parcel B could be added at some time; however, there is a strip of property that is part of the parcel of which there is an issue with respect to the access to the property and that matter would have to be resolved before this land could be dedicated.

**COUNCILMEMBER ALLEN MADE A MOTION TO APPROVE THE PROPOSED RESOLUTION WITH THE AMENDMENT TO CLARIFY THE PROPERTY DEDICATED. MOTION CARRIED, 7-0.**

**Receipt of Communications:**

- 1) Letter dated March 14, 2003 from City Clerk Miner
- 2) Ballot Proposal for District Wide Tax
- 3) CADL Application

RECEIVED AND PLACED ON FILE

- 4) L-HOPE Program Update – Pulled
- 5) Letter dated March 25, 2003, from Mr. Rabaut – Pulled



**MINUTES**  
**Committee of the Whole**  
**Thursday, February 13, 2003 – 1:30 p.m.**  
**Tenth Floor City Hall**

**Call To Order**

Council President Wood called the meeting to order at 1:35 p.m.

**Roll Call**

Council President Carol Wood  
Council Vice President Joan Bauer – excused absence

Councilmember Sandy Allen  
Councilmember Brian Jeffries  
Councilmember Harold Leeman  
Councilmember Larry Meyer  
Councilmember Geneva Smith

**Others Present**

Ellie Kennedy, GLNAWI  
Judith Bommer, GLNAWI  
Anabel Dwyer, GLNAWI  
Beth Monteith, GLNAWI  
Bob Alexander, GLNAWI  
Christine Timmon, Citizen  
Susan Hill, Capital Area District Library  
Ray Ziarno, Green House Program

Matt Ferguson WKAR  
Patti Cook, EDC  
Shane Silsby, Transportation Division  
Emil Winnicker, Development Division  
Eleanor Love, Code Compliance Office  
Jim Ruff, Planning Department  
David Wiener, Mayor's Office  
Jim Smiertka, City Attorney  
Ron Wilson, Council Staff  
Tina Gallante, Council Staff

### **Approval of Minutes**

COUNCILMEMBER SMITH MOVED TO APPROVE THE MINUTES OF THE FEBRUARY 6 AND FEBRUARY 10, 2003, MEETINGS AS SUBMITTED. MOTION CARRIED 6-0.

### **Public Comment on Agenda Items**

Ms. Timmons spoke in regard to an incident downtown establishment.

### **DISCUSSION/ACTION**

#### **War Resolutions**

Ms. Monteith appeared before the Committee on behalf of the Greater Lansing Network Against War in Iraq. She submitted a packet of information that included press releases, letters, and supporting anti war from various groups and individuals.

Ms. Kennedy also spoke on the impact of the proposed war.

Ms. Dwyer spoke against weapons of mass destruction and encouraged the Council to support a resolution to repeal the Patriot Act and Homeland Security Act and have it submitted to the White House

Ms. Bommer also spoke on behalf of GLNAWI.

Mr. Ziarno spoke in support of the Green House Peace Project.

C.O.W.  
2/13/2003

Councilmember Allen withdraws the motion.

Consensus to add one hour onto the Committee of the Whole schedule for next Thursday, February 20, 2003, to review this matter.

### **Capital Area District Library Millage**

Ms. Hill appeared before the Committee to provide an update on new programs the district library has implemented. There is a program that goes out to senior citizen facilities, Books by Mail, and more family activity days. The library has been very successful during this past quarter, with increasing support for of a mill increase. The Millage Committee recommended that a 1.5 mills increase be considered, for five years. It was emphasized that expanded hours is a great concern.

The current budget is approximately \$7 million. They will be asking for 1.46 mills for three years. The increase for a \$100,000 home would be a \$9.00 increase, or \$78.00 total, per year.

For information.



### **PILOT Presentation**

Council President Wood referred to the information contained in the packet. She reminded the Committee of the moratorium that went into effect January 1, 2003, and that it could stay into effect for six months. This is the beginning discussions and receiving preliminary discussions. Some of the items that came up

- Looking at all the PILOTS the City has
- Are they meeting all the objections intended.
- Impacts on the surrounding community.
- Creating more problems for code compliance, public services, and police.
- In granting these, is the City receiving an additional benefit other than providing housing.

Mr. Winnicker reported the Committee wanted an evaluation of the success of operation of properties that have received a PILOT. He does not view that differently than any other property. A PILOT is really a creature of the financing. There is no mention of any other goal.

Essentially, each project stands on its own, and the project is to provide affordable housing.

The discussion was opened for a roundtable discussion.

Mr. Roberts reported the status at this time, is the resolution provided for all PILOTS for at least six months. If the financing comes through MSHDA or is a federal income tax program, which is administered through MSHDA, or is a HUD contract or mortgage, those are the ones for which a PILOT has been established for.

Council President Wood questioned if the members had any suggestions or proposals for the administration.

Mr. Roberts reported the administration has questioned what the Council's intention was for PILOTs. The administration would like direction on those PILOTS that had been filed before the moratorium was placed in effect.

Councilmember Leeman questioned what ~~rationale~~ the Council can use to explain to the public.

Councilmember Jeffries questioned the economic impact on tax basis. Mr. Winnicker reported that for each individual PILOT, a tax financing comparison sheet was prepared. No one building is going to make a difference in a neighborhood. He spoke to the number of police calls that are received. He can make a case that is so because of the number of residents that move into a building and become more aware.

It was agreed upon that the administration will come back within three to four week with a proposed policy. Mr. Winnicker requested the Council provide input in writing so they may have something to go on.

### **Planning and Development Pre Budget Presentation**

Mr. Ruff first addressed the areas that have direct budgetary concern.

Mr. Nelson spoke on behalf of the Building Safety Office, specifically the commercial buildings. The department cannot board up commercial buildings and place them on the tax roll due to State statue. Therefore, a mechanism must be set in place. The administration is in the process of working with the law department to come up with these policies. He did respond that he does not feel the legislators realized the impact.



**MINUTES**  
**Committee on Development and Planning**  
**Monday, August 12, 2013 @ 6:50 p.m.**  
**10<sup>th</sup> Floor Conference Room, City Hall**

**CALL TO ORDER**

The meeting was called to order at 6:50 p.m.

**ROLL CALL**

Councilmember Brian Jeffries, Chair  
Councilmember Derrick Quinney, Vice Chair  
Councilmember Jody Washington, Member

**OTHERS PRESENT**

Janene McIntyre, Law Office  
Dorothy Boone, Planning  
Sherrie Boak, Council Staff  
Tom Lapka, Liberty Village (Attorney)  
Mikki Droste, Liberty Village  
Jim Rooker, Liberty Village

**PUBLIC COMMENT ON AGENDA ITEMS**

No Comments

**DISCUSSION/ACTION**

**Ordinance for Approval of Payment in Lieu of Taxes (PILOT) Liberty Village,  
1401 Georgetown Blvd**

Councilmember Jeffries highlighted the concern for amending the proposed Ordinance to include applicant recommended language due to the Committee and City opinion the language would expand the scope of the PILOT Policy.

Ms. Boone stated there are Federal and State policies and if there is a change to the PILOT Policy it should be performed with the City Council, not at a Committee level.

Mr. Lapka restated the language the applicants requested to be added to the Ordinance, and stated that they would agree to the original proposed language, and work with MSHDA in the future with the City definition in their policy.

Councilmember Jeffries asked for clarification from the applicants that they agreed to the presented Ordinance without their proposed language amendment. Mr. Lapka agreed. Mr. Lapka concluded by stating that if MSHDA reviews the language as broad interpretation, the applicant may contact the City in the future for support

**MOTION BY QUINNEY TO APPROVE THE ORDINANCE AS PRESENTED. MOTION CARRIED 3-0.**

**ADJOURN**

ADJOURN AT 6:56 p.m.

Submitted by,  
Sherrie Boak, Recording Secretary  
Lansing City Council  
Approved by the Committee on August 21, 2013



**MINUTES**  
**Committee on Development and Planning**  
**Wednesday, August 7, 2013 @ 1:00 p.m.**  
**10<sup>th</sup> Floor Conference Room, City Hall**

**CALL TO ORDER**

The meeting was called to order at 1:00 p.m.

**ROLL CALL**

Councilmember Brian Jeffries, Chair  
Councilmember Derrick Quinney, Vice Chair  
Councilmember Jody Washington, Member

**OTHERS PRESENT**

Councilmember Carol Wood  
Don Kulhanek, Law Office  
Bob Johnson, Planning and Neighborhood Development-  
Dorothy Boone, Planning  
Sherrie Boak, Council Staff  
Tom Lapka, Liberty Village (Attorney)  
Mikki Droste, Liberty Village  
Jim Rooker, Liberty Village  
Sherrie Guess, Attorney

**APPROVAL OF MINUTES**

**COUNCILMEMBER QUINNEY MADE A MOTION TO APPROVE THE MINUTES OF JULY 17, 2013. MOTION CARRIED 3-0.**

**COUNCILMEMBER QUINNEY MADE A MOTION TO APPROVE THE MINUTES OF JULY 31, 2013. MOTION CARRIED 3-0.**

**PUBLIC COMMENT ON AGENDA ITEMS**

No Comments

**DISCUSSION/ACTION**

**Ordinance for Approval of Payment in Lieu of Taxes (PILOT) Liberty Village,  
1401 Georgetown Blvd**

Councilmember Jeffries confirmed with the Committee and applicants that the public hearing would take place on Monday, August 12, 2013.

Mr. Lapka acknowledged the work on the Ordinance with City Staff and the City Attorney's, then apologized for any delay. Mr. Lapka requested an addition to (B) Definitions (5) "Elderly Persons"(ii) A person with disabilities *and persons who qualify for vouchers thru the Michigan Housing Authority MSHDA*. Mr. Lapko explained the need for the addition to the Ordinance in an attempt to comply with the Voucher Program.

Ms. Boone stated her understanding that the CFR 5.403 intention was not to disqualify, not seeing everything that MSHDA identifies, but they define a portion that does qualify, setting procedures for the vouchers. Ms. Boone concluded by stating she had not spoken to MSHSA legal.

Mr. Lapka stated his belief that CFR 5.403 does not encompass enough areas, and if the City does not have a problem with adding the language it would eliminate any issues with the PILOT if there were any questions.

Mr. Kulhanek confirmed the Attorney's Office was comfortable with the language as it was originally written in the current presented ordinance. If the Committee wanted to pursue adding the phrase to the Ordinance, the Attorney's Office would need time to review. If the Committee chose to add the phrase it would begin to set a policy for future similar submissions.

Councilmember Washington stated her concern with the large mix of residents including the elderly housing with residents who require supported services.

Mr. Lapko and Ms. Droste outlined the background process on all resident applications, the agreement with Community Mental Health staffing 2 days a week, supportive agencies on site daily, and property management staff on site 2 days a week. Ms. Droste concluded by stating that the residents sign lease contracts with conditions of residency, and there are continued oversight of the residents.

Mr. Kulhanek confirmed that an ordinance will not contain a provision requiring reporting to the City of any violations.

Councilmember Washington asked if there was tax revenue on the PILOT projects. Ms. Droste confirmed there was not, but there was a percentage of the income. Ms. Boone confirmed it was approximately \$7,000 per year.

Councilmember Jeffries requested clarification on conditional approval. Mr. Kulhanek requested time to research the addition to the ordinance, and understood the time frame for the hearing on August 12, 2013. Mr. Lapka offered to provide the voucher requirements.

**MOTION BY QUINNEY TO APPROVE THE ORDINANCE WITH THE ADDTION OF "*...and persons who qualify for vouchers thru the Michigan Housing Authority MSHDA*" AT (B) DEFINITIONS (5) "ELDERLY PERSONS"(ii), CONDITIONAL ON CITY ATTORNEY APPROVAL OF LANGUAGE ADDITION. MOTION CARRIED 3-0.**

**ADJOURN**

**ADJOURN AT 1:20 p.m.**

Submitted by,  
Sherrie Boak, Recording Secretary  
Lansing City Council  
Approved by the Committee on August 21, 2013



**MINUTES**  
**Committee on Development and Planning**  
**Special Meeting**  
**Wednesday, July 31, 2013 @ 8:30 a.m.**  
**10<sup>th</sup> Floor Conference Room, City Hall**

**CALL TO ORDER**

The meeting was called to order at 8:30 a.m.

**ROLL CALL**

Councilmember Brian Jeffries, Chair  
Councilmember Derrick Quinney, Vice Chair  
Councilmember Jody Washington, Member

**OTHERS PRESENT**

Councilmember Carol Wood  
Don Kulhanek, Law Office  
Bob Johnson, Planning and Neighborhood Development- arrived at 9:00 a.m.  
Dorothy Boone, Planning- arrived at 9:15 a.m.  
Sherrie Boak, Council Staff  
Aaron White, WLNS- TV  
Steve Willobee, LEAP  
David Zyble, Jackson National Life  
John C. Brown, Jackson National Life  
David Pierson, Jackson National Life (Attorney)  
Tom Lapka, Liberty Village (Attorney)  
Karl Dorshimer, LEAP  
Mikki Droste, Liberty Village  
Jim Rooker, Liberty Village

**PUBLIC COMMENT ON AGENDA ITEMS**

No Comments

**DISCUSSION/ACTION**

**A. Proposed 2013 PA 425 Agreement with Alaiedon Township**

Mr. Willobee informed the Committee that the week of July 22, 2013 Michigan Economic Development approved the grant for the infrastructure of the site, and also the week of July 22, 2013 Alaiedon Township approved the PA 425 Agreement with a 4-1 vote. He also gave a time table of the CDA Agreement beginning in 1998, modifications in 2008 and again currently in 2013. Modifications included minor clarifications, legal descriptions, with both party's attorney consensus and understanding of the changes.

Mr. Pierson spoke about the removal of Parcel E, a 3 acre strip of land running from Jackson National Life to Sand Hill Road, since JNL had no plans for that portion. This removal was noted in the ACT 425 documents, and development agreement.

Mr. Kulhanek presented the resolutions to Committee.

Councilmember Jeffries asked for verification from Mr. Pierson and Mr. Kulhanek there were no other changes to the documents besides removal of Parcel E. It was confirmed by both parties.

**B. Proposed Agreement for Conditional Transfer of Property Pursuant to 1984 PA 425 between the City of Lansing and Alaiedon Township**

Committee and applicants discussed the development agreement. Mr. Pierson affirmed that in 1998 there were infrastructure items in the agreement; in 2008 those provisions became smaller because the infrastructure was in place, and in current proposed agreement the provisions are more specific in relationship to responsibility and the CDBG Grant that will offset public costs of the infrastructures. JNL will be making a applicant for Personal Property Exemption PA 328, hoping to establish in 2014. With this exemption JNL pays 19.1 mills on infrastructure fee which is the same as PPE, and 2.0 mills on real property covering the City tax sharing arrangement with the Township. The City is made whole and they will also be collecting Income Tax.

Councilmember Jeffries requested clarification on page 24 of the agreement, acknowledging that the City of Lansing had previously independently approved PP Exemption, but new agreement states City is agreeing the request. Mr. Pierson acknowledged the termination line was removed from the agreement, in essence the agreement assumes that where there is an ACT425 Agreement, parties will also agree to the PA 328 Exemption. If there was no PA 328, JNL would terminate the agreement, which made no sense since JNL is using the public utilities. JNL understands they cannot contract away legislative powers, and not hold the City of Lansing to approve the PA 328.

Councilmember Jeffries referenced page 17, and responsibility of hydrant installation. Mr. Pierson responded by confirming JNL will do the design work for water and the remainder will be offset by the CDBG Grand funding. Mr. Willobee confirmed the grant funding and the City letter of intent process inclusion.

Councilmember Wood asked for confirmation that JNL will be paying the BWL hydrant charges which rate payers in Lansing will have to pay. Mr. Pierson confirmed, and clarified that the cost for the lights mentioned on page 20 will also be covered by developer, and discussions will continue on *dark sky lights*.

Mr. Pierson stated that that Jackson National Life has committed to offering 1,000 jobs over 10 years, and the grant project range is different, but speculate 240-280 jobs in 3 years.

Mr. Kulhanek acknowledged clerical errors in the documents, and confirmed the City Attorney's office would work with the applicant to correct by the end of the day.

Councilmember Jeffries presented for the record an email from an Alaieton Township resident with the concern of emergency services, and errors in the document.

Mr. Pierson explained to the Committee that Alaieton Township is a General Law Township, and can only levy 0.85 mills towards services. Currently the Township does not provide emergency services, they are provided by Meridian Township and Ingham County.

Mr. Pierson offered an explanation for the delay in the overall process, that being differences during discovery based on years of prior provisions that began with the original agreement in 1998.

Councilmember Jeffries acknowledged comments from Township property owners in regards to their access to service utilities. Mr. Pierson stated that those owners would not have access based on the 1998 agreement with the City that stated water and sewer services could not leave the Act 425 Area, unless that property owner enters into an Act 425 agreement. This protects the Township, and a court would not order a Township to enter into a 425 Agreement.

Councilmember Jeffries referenced page 5 & 6 in regards to the Restrictive Use Covenants. Mr. Pierson stated the item was negotiated in prior years allowing the Township to regulate specific developments in the area, if the area is not used by JNL for its business, it will revert to conditional zoning.

Mr. Brown stated there are more than 2100+ associates in JNL facilities in the greater Lansing area, 1-in-4 being City of Lansing residents.

Mr. Willobee informed the Committee he could provide an updated schedule of the PA 328.

Councilmember Jeffries stated these items would be up for a vote on August 12<sup>th</sup>.

Mr. Willobee stated he had hope Council could approve this on Monday August 5<sup>th</sup>, this is a time issue for CDBG funding and the start of construction.

Councilmember Wood acknowledged the late submission of the documents from the City Attorney office, and stated her concern with the transparency to the public of all the information being made available. She confirmed to the applicant the City's understanding of the importance of Jackson National Life progression schedule, in addition to their efforts to maintain and create jobs.

Councilmember Jeffries and Councilmember Wood agreed to call a Special Council meeting which could take place during the upcoming Committee of the Whole on August 5, 2013 to meet the deadlines needed for Jackson National Life

**COUNCILMEMBER QUINNEY MADE A MOTION TO APPROVE THE RESOLUTION FOR THE PROPOSED 2013 PA 425 AGREEMENT WITH ALAIDEON TOWNSHIP. MOTION CARRIED 3-0.**

**COUNCILMEMBER WASHINGTON MADE A MOTION TO APPROVE THE RESOLUTION FOR THE PROPOSED AGREEMENT FOR CONDITIONAL TRANSFER OF PROPERTY PURSUANT TO 1984 PA 425 BETWEEN THE CITY OF LANSING AND ALAIDEON TOWNSHIP. MOTION CARRIED 3-0.**

**C. Resolution-Setting a Public Hearing- Introduction for Payment in Lieu of Taxes (PILOT) Liberty Village, 1402 Georgetown Blvd.**

Mr. Johnson apologized to the Committee and the applicant for the delay in their submission, acknowledging his department.

Ms. Droste stated that the proposal was for 24 supported housing units for special needs as defined by MSHDA, and confirmed the location near I-96 and Edgewood. A colored map was circulated to the Committee. He confirmed the proposed development area was not in a location that had problems in the Georgetown area, and currently noted it is a wooded area, with other building on the site.

Councilmember Wood requested legal information regarding the moratorium on PILOTS expect for seniors.

Ms. Droste stated that the housing will not be for seniors.

Mr. Lapka confirmed it is not limiting to senior, but will not be turned into a family project either based on MSHDA limits.

Councilmember Washington clarified to the applicants and legal counsel that the documents submitted all reference *elderly*. Ms. Washington requested acknowledgement of neighborhood notification based on issues with vouchers.

Mr. Rooker clarified that since 1982 there has been an interest reduced loan from MSHDA, with the same types of housing.

Mr. Kulhanek acknowledged errors in the ordinance, and offered to correct.

Councilmember Wood stated her concern that the documents were wrong when presented to Council on July 29, 2013.

Mr. Rooker asked for passage after the public hearing on August 12<sup>th</sup>, 2013, due to a Housing Authority deadline of August 15, 2013.

Councilmember Washington asked for a deadline on the corrections and affirmed she would not act on anything until corrected documents could be reviewed. Mr. Kulhanek stated the ordinance would be corrected by end of day, July 31, 2013.

Ms. Boone confirmed to the Committee that the *elderly* definition was a MSHDA defined term. Ms. Boone then presented the Committee with an updated Staff report reflecting the correct zoning of Multi Family not Community Planned Use as was earlier submitted to Council. The zoning was reviewed with the zoning department, and it was confirmed the project would not go through planning.

Mr. Johnson offered to submit aerial photos to the Committee for project location clarification.

Councilmember Jeffries stated that since the documents need to be amended before approval of an ordinance is sent to Council, there will be another Committee meeting set in time to put on the August 12, 2013 Council agenda.

**NO ACTION TAKEN.**

Councilmember Quinney requested a discussion with Mr. Johnson on the Ingham County Treasurer and the land bank process. Mr. Quinney asked about the process to remove a property off the role before it is sold at the land bank auction.

Mr. Johnson outlined the process, with two (2) steps where property can be claimed. The City can claim in July by paying off the outstanding taxes; however the property must be used for public purposes.

Mr. Kulhanek stated that option two (2) is in December with a Resolution. The list on the Resolution will be defined by whatever remaining properties are left from the July land bank sale. Mr. Johnson stated that property cannot be taken off, unless the City buys it for unpaid taxes and uses it for public action, this being a law requirement of Land Bank 258.

The Committee reviewed the history of property that was brought to their attention at the pervious D & P meeting. The issue involved a land contract and recording as such at Register of Deeds, and spoke briefly about a similar case with a larger entity in 2012 where the property was not sent to the land bank, but the Treasurer worked with the owner.

Mr. Johnson clarified he was not aware of the circumstances to the 2012 situation mentioned, and could not speak to the differences. Mr. Johnson stated the Ingham County Treasurer has the ability to structure the auctions. Any issue can be brought to Circuit Court. Mr. Johnson made the Committee aware of the process of back taxes, and payment should be made on the oldest unpaid taxes, not always the current.

Mr. Kulhanek verified the understanding to the Committee that there is currently nothing the City can do; it is the Ingham County process. Mr. Johnson stated that from this point, Mr. Schertzing, Ingham County Treasurer would need to clarify the item for the Committee.

Ms. Boak stated that Mr. Schertzing was not present because he was informed this item was not on the agenda, but will be at a later date. Mr. Schertzing had informed staff he would make every attempt to attend a future meeting.

## **ADJOURN**

**ADJOURN AT 9:41 a.m.**

Submitted by,  
Sherrie Boak, Recording Secretary  
Lansing City Council  
Approved by the Committee on August 7, 2013.



## MINUTES

Committee on Development and Planning  
Wednesday, May 21, 2003 – 12:00 noon  
Tenth Floor Conference Room  
City Hall

### **Call To Order**

Councilmember Allen called the meeting to order at 12:00 noon

### **Roll Call**

Councilmember Sandy Allen, Chair  
Councilmember Larry Meyer, Vice Chair – excused absence  
Councilmember Brian Jeffries Member

### **Others Present**

Sue Stachowiak, Planning Division  
Kent Helkamann, Sterling Development  
Council President Carol Wood  
Chris Stuchell, LHC  
Karl Dorshimer, EDC  
Bill Christofferson, Foresight Group  
Emil Winnicker, Development Division  
Bruce Carruthers, Lectronix, Inc.  
Bill Rieske, Planning Division  
Jack Roberts, Law Department

Tina Gallante, Council Staff  
Ron Wilson, Council Staff

### **Public Comment on Agenda Items**

Received at the time of the agenda item.

### **Approval of Minutes**

The April 17, 2003, minutes were not acted upon.

## **DISCUSSION/ACTION**

### **Acquisition of 3117 South Martin Luther King Jr. Boulevard**

Mr. Winnicker appeared to speak on the agreement between the Lansing Housing Commission and the City. The City has negotiated with the property owner to acquire the site and the LHC has agreed to provide the City a payment in the amount of \$125,000 plus closing costs to help finance the acquisition of the property. It is being proposed that the City would reimburse the LHC payment from CDBG funds should the LHC not be able to participate in the development of low income elderly rental housing. The City is looking to waive an administrative fee in the amount of \$3,250 which is a result of a violation against the property. Mr. Winnicker reported on the dispute between Mr. Burton and the real estate company on fees associated with the market of the property. If a lien is placed in escrow because of this, the City would not purchase the property.

Mr. Roberts indicated they have an offer to sell the property, but the owner has provided, as part of the offer to purchase, a contingency on the offer to waive the fees from last year. In the interest to seek compromise of this, he has agreed to modify the agreement to change the condition within the purchase price agreement. If that is not acceptable to the City Council, as it relates to the General Service Committee, that can not be applied to the agreement.

Councilmember Jeffries received clarification in regard to that specific issue as it relates directly to the acquisition. Mr. Winnicker reported the resolution does indicate it is subject to terms and conditions. Council President Wood commented on the General Service Committee's action to waive the fee and that has been done before in the past. Councilmember Jeffries questioned how this resolves the issue with the HUD money and property downtown. Mr. Winnicker reported this is a stand alone deal and hopes it demonstrates the cooperation between the LHC and the City.

Mr. Stuchell reviewed the site plan and proposal for this property.

COUNCILMEMBER JEFFRIES MOVED TO CONCUR IN THE ADMINISTRATION'S RECOMMENDATION AND APPROVE THE ACQUISITION OF PROPERTY. MOTION CARRIED 2-0.

Councilmember Jeffries brought up the issue of traffic congestion in this area and previous consideration of the Hayford Clinic going up in this area. He would like the Administration to keep him apprised of this area as it relates to the traffic and the clinic.

### **Set Public Hearing for Brownfield Plan #13 - Lansing Housing Commission**

Mr. Dorshimer reported on the Brownfield Plan #13 Lansing Housing Commission Redevelopment project. The plan is for the redevelopment of an old and blighted residential trailer park for a new 5 building thirty unit income eligible senior housing development.

COUNCILMEMBER JEFFRIES MOVED TO APPROVE TO SET A PUBLIC HEARING. MOTION CARRIED 2-0.

### **Set Public Hearing for Transfer of IFT Certificate to Letronix, Inc.**

Mr. Dorshimer reported on the application to transfer the real property component of IFT from TelGen Corporation to Lectronix, Inc. located at 5858 Enterprise Drive.

COUNCILMEMBER JEFFRIES MOVED TO APPROVE TO SET A PUBLIC HEARING ON JUNE 23, 2003. MOTION CARRIED 2-0.

**Set Public Hearing for Transfer of IFT Certificate -  
Foresight Group**

Mr. Dorshimer reported on the application for an IFT filed on behalf of Foresight Group located at 619 East Hazel Street.

COUNCILMEMBER JEFFRIES MOVED TO APPROVE TO SET A PUBLIC HEARING ON JUNE 23, 2003. MOTION CARRIED 2-0.

**PRD-02 - Georgetown Boulevard**

Ms. Stachowiak reviewed the request by Sterling Development Corporation to construct a 224 unit multi-family Planned Residential Development on a 29.7 acre parcel located between Miller and Georgetown Boulevard. The applicant originally requested a rezoning of the property from A Residential to C Residential. This request has been withdrawn by the applicant. The proposed density of 7.444 dwelling units per acre is consistent with that allowed under the A Residential District with the bonus density for tree preservation. The Planning Board unanimously recommended approving the PRD request. The ACT285 request for the vacation of the Longmeadow Road right-of-way has been submitted as well.

Council President Wood indicated she and Mayor Benavides attended a neighborhood meeting with respect to this proposal and how it could affect the local cooperatives in the area. A traffic study, along with other information was requested by the Sterling Group. During follow-up meeting with the group again, the company alleviated many of the neighbors concerns and the neighborhood group indicated they were satisfied with the plan and supports the project.

(Motion made after presentation of related items.)

**ACT-5-03 - Vacation of Long Meadow Boulevard**

Mr. Rieske reviewed the Planning Board's unanimous recommendation to approve the request by Sterling Development Co. for the City to vacate the right-of-way on Longmeadow Road. This area is undeveloped and extends in a north-south direction. Sterling Co. proposes to reroute interior circulation patterns using private streets.

(Motion made after presentation of related items.)

### **Request for PILOT**

Mr. VanMeeter spoke on the history for the request for a PILOT. This program has already been approved by MISHDA.

Mr. Roberts reported this was a request that was filed before the Council placed a moratorium on all PILOTS. The State Act qualifies them for a 10 percent PILOT. At this time, the matter requires introduction and setting a public hearing.

Mr. VanMeeter reported on the history of Sterling Co. They have been based in Indiana, since 1978. The company develops, manages, and contracts apartment communities within a four state region. This development is very consistent with the developments of 6,000 developments over those states at this time. The Smokler Company is the current deed owner of the subject property. Sterling Development LLC is the site procurement arm of the company. It is his intent to manage the property. They are also active in developments within the Jackson, Ann Arbor, Port Huron, Saginaw, and Muskegon areas, just to name a few.

These are two story buildings with 224 multiple family units. The break down of bedroom counts are 24 one bedroom, 88 two bedroom, and 48 three bedrooms, for Phase I. Rental amounts are under \$600 for a one bedroom, \$675 for two bedrooms, \$800 for a three bedroom. In looking at the tax credit developments, you are submitting it to MISDA for a nine percent credit, traditionally. This typically brings in a lower income structure because to be competitive, you at the 30 to 50 percent income range. This is a four percent credit, guaranteed, with a bond. Although it is titled low income, it could be considered moderate income.

Council President Wood commented having worked the Arbor Pointe issue, a three bedroom unit goes for approximately \$875.00 per month, and the majority of those units are under Section 8. What we have seen in the information presented is how Sterling does conduct their rentals and background checks. Sterling has had a reputation for taking care of their units and ensuring they have good tenants.

Councilmember Jeffries spoke on the location of low to moderate income properties and questioned where they are within the City. Mr. Winnicker reported there is a fairly good dispersal for low to moderate income living. The land space is beginning to run out within the City limits for developments this large. Many of these tax credit projects are competitive and the State is now giving more points for rehabilitation projects.

COUNCILMEMBER JEFFRIES MOVED TO INTRODUCE THE ORDINANCE AND SET A PUBLIC HEARING FOR THE 10 PERCENT PILOT. MOTION CARRIED 2-0.

COUNCILMEMBER JEFFRIES MOVED TO APPROVE THE VACATION OF LONG MEADOW BOULEVARD. MOTION CARRIED 2-0.

COUNCILMEMBER JEFFRIES MOVED TO APPROVE THE PLANNED RESIDENTIAL DEVELOPMENT AS SUBMITTED. MOTION CARRIED 2-0.

**Consideration of Reappointment of Grant Gilts to Board of Zoning Appeals**

COUNCILMEMBER JEFFRIES MOVED TO CONCUR IN THE MAYOR'S RECOMMENDATION AND APPROVE THE APPOINTMENT OF MR. GILTS TO THE BOARD OF ZONING APPEALS. MOTION CARRIED 2-0.

**Consideration of Reappointment of Emly Horn to Board of Zoning Appeals**

COUNCILMEMBER JEFFRIES MOVED TO CONCUR IN THE MAYOR'S RECOMMENDATION AND APPROVE THE APPOINTMENT OF MS. HORN TO THE BOARD OF ZONING APPEALS. MOTION CARRIED 2-0.

**Consideration of Reappointment of Andrew Frederick to Board of Zoning Appeals**

COUNCILMEMBER JEFFRIES MOVED TO CONCUR IN THE MAYOR'S RECOMMENDATION AND APPROVE THE APPOINTMENT OF MR. FREDERICK TO THE BOARD OF ZONING APPEALS. MOTION CARRIED 2-0.

**CSO Right of Way Acquisition**

The Committee reviewed the Public Service Departments attempt, in working with the Development Office, to acquire easements from private owners that will be necessary to facilitate the construction of the sanitary sewer system planned. In addition to paying the property owners a \$1.00 fee for the easement, the City has also offered to vacate certain portion of the existing Duffy Drain easement.

Councilmember Jeffries questioned how many of these drains were County drains. Mr. Winnicker reported although he could not be certain, the Duffy Drain is very complex. When the City went to acquire the properties and vacate, they had to get the County to sign off on the title. Councilmember Jeffries spoke on a situation of constituents who complained of an open drain on their property, part of which is an open ditch. It was indicated that once was a county drain. Mr. Winnicker indicated that yes, the City would have to accept the drain from the County.

COUNCILMEMBER JEFFRIES MOVED TO APPROVE THE FOUR RESOLUTIONS AUTHORIZING THE ACQUISITION OF PERMANENT PUBLIC UTILITY EASEMENT AT THE DESCRIBED PROPERTIES. MOTION CARRIED 2-0.

#### **Brownfield Plan #5C – BTS Property Amendment 1**

Mr. Winnicker reported this was brought up at COW and no action is required at this time for the Committee.

#### **Set Public Hearing for Brownfield Plan #14 – Prudden Area Redevelopment**

No action needed at this time.

#### **ACT-16-02 – Main and Regent Streets**

COUNCILMEMBER JEFFRIES MOVED TO APPROVE.

#### **LS-6-03 – Westside of Waverly Road**

Ms. Stachowiak reviewed the Planning Board's unanimous recommendation to approve the request by Silverwood Properties to divide a newly created parcel located on the west side of Waverly Road. The new lots would be odd shaped lots and will not comply with the required width to depth ratio. The lots meet the intent, but exceed the

maximum permitted width to depth ratio. Within the Planning Board's recommendation, they requested that only one driveway be constructed to serve both lots. The owner did agree to that. However, upon the review and recommendation from Mr. Roberts, it was indicated that law prohibits a condition being placed on this type of transaction, and therefore, that condition has been removed from the resolution. Mr. Roberts reported that under the ordinance, this condition cannot be supported.

COUNCILMEMBER JEFFRIES MOVED TO CONCUR IN THE MAYOR AND PLANNING BOARD'S RECOMMENDATION AND APPROVES THE LOT SPLIT. MOTION CARRIED 2-0.

### **Acceptance of a Utility Easement for Seager Street Sanitary Extension**

Pending.

### **Z-2-03 - 420 West Ionia Street**

Ms. Stachowiak spoke on the request to rezone the described property from DM4 Residential to D1 Professional Office District in order to utilize the main building on this property for a professional office. The Planning Board approved the request on a 5-1 vote, but lacked the necessary votes necessary to convey a recommendation. Both of the Master Plans call for professional office use. The applicant will be limited on parking and will only be able to convert a certain amount of the building due to parking requirements. The neighborhood group did oppose the request voicing their concern on the housing stock being lost in that area.

COUNCILMEMBER JEFFRIES MOVED TO APPROVE THE REZONING REQUEST. MOTION CARRIED 2-0.

### **Request TO Amend Resolution NO. 623 of 1998 Regarding David Street**

Ms. Stachowiak reported on the past resolution passed on this matter, specifically the two conditions placed at that time. The police department does not want the tower removed and placed on a private property. They are proposing that things remain the same and the City keep the tower.

She is requesting to remove these two conditions from the original resolution.

Councilmember Jeffries voiced his concern that the condition was all part of the equation that part of the cost was the cost to tear the tower down. It would seem to him they obtained the better benefit.

The rate of return was based on a minimum of three outlets.

The Committee would like this matter placed on pending in order to receive more information on the matter, specifically lease information, and what the police issues are.

**Receipt of Capital Improvement Program – Planning Board  
FY04 Recommendation**

Received and placed on file.

**Receipt of Board of Zoning Appeals and Planning Board  
Evaluation Reports**

Received and placed on file.

**Receipt of letter from Karl Gotting Regarding Arbors at  
Georgetown Apartments**

Received and placed on file.

**ADJOURN**

The meeting was adjourned at 1:45 p.m.

Respectfully Submitted,

Tina M. Gallante  
Senior Legislative Assistant  
Lansing City Council

Approved by the Committee on

5-3-03

Appropriate documents attached to original set of minutes.



## **MINUTES**

Committee on Development and Planning  
Wednesday, April 30, 2007 – 6:30 p.m.  
Tenth Floor Conference Room  
City Hall

### **CALL TO ORDER**

The meeting called to order at 6:40 p.m.

### **ROLL CALL**

Councilmember Brian Jeffries, Chair  
Councilmember Sandy Allen, Vice Chair – excused absence  
Councilmember Kathie Dunbar, Member

### **OTHERS PRESENT**

Diana Bitely, Council Staff  
John Pollard, Citizen  
Chris Stuchell, LHC  
Dorothy Boone, Planning

### **PUBLIC COMMENT**

None.

### **APPROVAL OF MINUTES**

**ACTION/DISCUSSION**

Approval of a Payment in Lieu of Taxes (PILOT) for property located at 715 W. Willow, known as the "Abigail"

Mr. Stuchell provided a brief overview of the purpose for the PILOT.

**COUNCILMEMBER DUNBAR MADE A MOTION TO SUPPORT THE PASSAGE OF AN ORDINANCE AMENDMENT FOR THE PURPOSES OF PROVIDING FOR A SERVICE CHARGE IN LIEU OF TAXES FOR FOURTY-FOUR UNITS OF LOW OR MODERATE INCOME ELDERLY DWELLING UNITS IN A PROJECT KNOWN AS THE ABIGAIL. MOTION CARRIED, 2-0.**

**ADJOURN**

The meeting was adjourned at 6:43 p.m.

Submitted by,  
Diana Bitely

Interim Administrative Assistant  
Lansing City Council

Approved by the Committee on 5/7/07.

Appropriate documents attached to original set of minutes.



## **MINUTES**

Committee on Development and Planning  
Wednesday, August 2, 2006 12:00 p.m.  
Tenth Floor Conference Room, City Hall

### **Call to Order**

The meeting called to order at 12:05 p.m.

### **Roll Call**

Councilmember Brian C. Jeffries, Chair  
Councilmember Joan Bauer, Vice Chair  
Councilmember Carol Wood, Member

### **Others Present**

Diana Bitely, Council Staff  
Sue Stachowiak, Planning  
Bill Rieske, Planning and Development  
Margo Vroman, Law  
Dorothy Boone, Planning  
Bob Johnson, Planning  
Brigham Smith, Law  
Will Mosing, MSHDA  
Bill Maier, BWL  
Gail Peterson, BWL  
Karl Gotting, Villas Apts.  
Chuck Barbieri,  
Bill Riekse, Planning



## **MINUTES**

Committee on Development and Planning  
Wednesday, August 2, 2006 12:00 p.m.  
Tenth Floor Conference Room, City Hall

### **Call to Order**

The meeting called to order at 12:05 p.m.

### **Roll Call**

Councilmember Brian C. Jeffries, Chair  
Councilmember Joan Bauer, Vice Chair  
Councilmember Carol Wood, Member

### **Others Present**

Diana Bitely, Council Staff  
Sue Stachowiak, Planning  
Bill Rieske, Planning and Development  
Margo Vroman, Law  
Dorothy Boone, Planning  
Bob Johnson, Planning  
Brigham Smith, Law  
Will Mosing, MSHDA  
Bill Maier, BWL  
Gail Peterson, BWL  
Karl Gotting, Villas Apts.  
Chuck Barbieri, Foster, Swift  
Bill Riekse, Planning

**Public Comment on Agenda Items**

Public Comment taken at time of Agenda Item

**Approval of Minutes**

None.

**Discussion/Action:**

Verlinden Plant

Pending until the August 9, 2006 meeting

Villas PILOT

Pending until the next meeting.

**PILOT Ordinance (MSHDA)**

Councilmember Jeffries stated that the purpose for the PILOT Ordinance is to encourage better housing in the Lansing area. Some re considering different ways that could be done, such as restricting PILOTS geographically, restrict them to existing housing in an effort to reach a mixed-income ratio.

Mr. Mosing stated that MSHDA makes decisions on PILOTS on an individual basis. Each is considered on the merits of the development.

Councilmember Jeffries commented that he understood there was a 10% requirement if the city offered a PILOT.

Mr. Mosing commented that the percentage could vary. However, there may be an issue if one development was offered a 10% PILOT and another was offered 5%. He indicated that there have been instances in the past where PILOTS were done on a sliding scale based on the projected success of the development.

Councilmember Wood questioned if the City could restrict development to certain areas.

Mr. Mosing commented that development could be restricted if the zoning policy did not allow for development in the area. MSHDA does not deny any

requests until they have looked at the proposal on an individual basis.

Councilmember Jeffries questioned if the city could restrict where the development is in a PILOT.

Councilmember Wood questioned if they are only looking at the length of the mortgage when they decide on the PILOT.

Mr. Mosing commented that they look at the projections to make their assessments. He indicated that there are two instances where there was an additional service (administrative) fee independent of the PILOT as part of the negotiations that they had to pay to the municipality on an annual basis.

Councilmember Jeffries questioned if there had been instances where only new developments were restricted.

Mr. Mosing stated that the State of Michigan's statute speaks to property rehabilitations being granted one rate and new construction receiving a different rate in the absence of an ordinance.

Councilmember Jeffries questioned the trend relative to mixed income units and using the PILOT or other incentives to reach that goal.

Mr. Mosing commented that although they used to have a program, the pressure is now in the opposite direction due to low income housing tax exemptions. Mixed income developments are not common.

Councilmember Jeffries questioned if MSHDA has Proformas.

Mr. Mosing stated that all parties submit a proforma and work toward an agreement. He indicated that these proformas become public recode once they are approved at the Board level, which is approximately one month before the deal actually closes.

Councilmember Jeffries questioned if MSHDA is able to determine the length of time needed for a PILOT just by looking at the proforma. He further questioned if on average, a PILOT is necessary for the duration of the agreement or if they overestimate the actual need.

Mr. Mosing responded that it is difficult to determine the length of a PILOT just from the pro forma, and most of the time the PILOT is needed for the length of the mortgage.

Mr. Johnson stated that there are instances that would not require MSHDA approval.

Councilmember Jeffries questioned how PILOTS could be used to drive affordable housing and new development versus rehabilitations. He further questioned where in the city do we need to focus geographically and how do we reach a mixed income. He would like to know what other communities are doing.

Ms. Boone provided the committee members with information on the HOME/CDBG program and poverty levels in the Lansing area.

Councilmember Jeffries questioned the income level that qualifies for affordable housing.

Ms. Boone stated that it varies by household size as illustrated on the chart provided.

Mr. Johnson commented that the rent is adjusted based on the number of bedrooms in the unit.

Ms. Boone explained that these charts are based on 30% of the annual income. HOME/CDBG Rehabilitation Program Maximum Gross Annual Household Income Limits determines the maximum annual income to be eligible for low income tax credits. Of the total renters, 70% or more are eligible for low-income rentals and only about 30% will be ineligible.

Ms. Boone is to do a comparison on how Lansing's projections compare to other cities in Michigan.

Councilmember Wood questioned if approving these types of PILOTS would be a lateral move for the City, or if the rate of household income would be increased by bringing in developments such as Gillespie and Prudden Place II.

Mr. Johnson commented that these developments are not geared towards homeowners since it is uncommon for a homeowner to sell their home to buy a condominium.

Ms. Boone indicated that owner households would be a different discussion. We are trying to revitalize our housing stock and it may be inevitable that some housing would not be attractive to the market. People are buying new houses and as the City's population shrinks, the issue is how to deal with the dilapidated houses. A new strategy for renewing the housing stock is needed.

Councilmember Jeffries questioned how that could be done without knocking down entire blocks of homes.

Ms. Boone suggested tax deferments.

Councilmember Jeffries commented that the Lansing Housing Commission created a Home Ownership program to assist residents in buying a home. Although there were a high number of people able to afford to buy their home, they had poor credit and did not want the responsibility for the upkeep of the home.

Councilmember Wood questioned how the Capital Commons rehabilitation was doing and what measures were being used.

Ms. Boone stated that it is still a work in progress and they should be able to project the success rate more accurately in another year.

Mr. Johnson presented the Committee members with the "Proposed Criteria for Automatic 10% PILOT" and stated that it could be applied to rents based on household income where at least 50% of those units must be rented to the Area Median Income or higher. He indicated that the basis for the criteria was that a developer would get more credits for the lower income housing and they were attempting to push the market rate and allow the ability to be competitive.

Councilmember Jeffries questioned if there are any current developments that would not have been approved based on this proposal.

Mr. Johnson commented that they would have to look at the market rents to make that determination.

Councilmember Jeffries would like to know the impact if this proposal was implemented.

Mr. Johnson commented that the City of Detroit has an ordinance that grants an automatic PILOT.

Councilmember Jeffries questioned the possibility of a sliding scale or a graduating scale PILOT.

Mr. Johnson stated that it would increase rents, but it could work as a negotiated PILOT.

Councilmembers Wood and Jeffries indicated that the Administration should provide an annual accounting report.

**COUNCILMEMBER WOOD MADE A MOTION TO APPROVE THE PILOT ORDINANCE AS AMENDED. MOTION CARRIED, 2-0.**

Councilmember Wood requested additional information on the service fees mentioned earlier.

## Groundwater Protection Ordinance

Mr. Rieske explained that the site plan review does not regulate wells. It regulates the documents that are submitted in the site plan review to ensure that the Planning Office receives the correct information and that it clearly dictates what the process should be. This ordinance was called for in the wellhead protection ordinance in 2006. The wellhead protection program is in the process of reorganization and once this is complete, the new ordinance will be implemented. The Tri-County Regional Planning Commission regulates the Wellhead has received grants from the Kellogg Foundation, MDEQ; as well as received assistance from the United States Geographical Society.

Ms. Vroman stated that she and Mr. Smith reviewed this ordinance in detail.

Mr. Barbieri stated that Demmer properties inherited the environmental issues at the former Motor Wheel Site. Therefore, they are required to deal with those issues. It was determined from the investigations that there is a small amount of contamination in the middle aquifer. He indicated that the most effective way to treat it is to allow nature to take care of it and for that process to continue you do not want people to put wells in the area. The Ingham County Health Department has worked with them to inform residents that it would not be safe to install wells. The MDEQ, Ingham County Health Department, Karl Dorshimer of the Economic Development Corporation (EDC), Lansing Board of Water and Light (LBWL), and the Law Department are to draft an ordinance that would meet the Michigan Department of Environmental Quality's (MDEQ) requirements. The ordinance would preclude the installation of any new wells and outlaw any existing wells although there would be exceptions for the BWL wells and groundwater watering wells.

Mr. Barbieri stated that Demmer properties would rely on this ordinance to allow the biodegradation process to occur and would map out the affected as well as remove or replace any wells to facilitate the cleanup. He stated that Ingham County suggested that the ordinance be enacted city wide to cover all aspects. He indicated that Kalamazoo has a citywide well ordinance.

Councilmember Jeffries questioned if the state specified any requirements indicating the need for an area wide or citywide ordinance.

Mr. Maier, BWL, responded that could foresee a patchwork of future ordinances to deal with similar situations and suggested that rather than introducing new ordinances for each case, it would be more logical to present it citywide.

Councilmember Jeffries questioned if Kalamazoo grandfathered any wells into the ordinance.

Mr. Barbieri responded that Kalamazoo allowed more exceptions than is being proposed here. Lansing would not grandfather any in; however, there could be additional exceptions.

Councilmember Bauer asked how many private wells or affected sites there are within the city. She expressed concern that irrigation wells would be affected by the ordinance.

Mr. Barbieri stated that there is a petition process to request that a well not be closed, and an investigation would be made to determine if an exception could be made on an individual basis.

Ms. Peterson commented that they do not have an exact count of wells that are being used for drinking water.

Mr. Maier stated that he does not think that there are many operating wells within the city due to Ingham County's policy to not issue permits for irrigation wells although it is a requirement to have a permit for maintenance.

Ms. Peterson commented that a licensed well driver would be required for any well maintenance and it is unlikely that one would work without a permit. Meridian also prohibits issuance of permits for irrigation wells.

Mr. Maier will provide the Committee with a count of the wells within the city that are currently in use.

Councilmember Bauer questioned if the ordinance should be county wide to protect those that are outside of the city.

Councilmember Jeffries questioned if there was an agreement between Delta Township and BWL to prohibit wells.

Mr. Maier indicated that it is not in the agreement.

Mr. Barbieri stated there are two key deadlines in reaching closure. He offered his additional input to make any necessary changes. He would hope it could be passed within the next couple of weeks.

Councilmember Bauer requested a count of the number of wells that would be affected.

Mr. Maier indicated that he could provide the Committee members with the count of wells tomorrow afternoon.

Ms. Peterson expressed concern over not entirely prohibiting wells and

residents refusing to close their well.

Mr. Barbieri suggested that a resident who wished to keep their well could petition for that and make their case in front of the Committee for a decision.

Councilmember Jeffries expressed concern over an appeal process in prohibiting persons from retaining their wells.

Ms. Vroman is to work with Mr. Barbieri on the language and the Committee would discuss it Monday night before Council.

Mr. Dorshimer stated his concern about spreading the contamination and suggested that with the existing wells, there be a requirement that the water is tested yearly for contaminants as a part of the petition process.

Councilmember Jeffries questioned what tests would be required, how much it would cost, and if there would be a limit of depth.

Ms. Peterson responded that the well water would be tested for metals, volatile organics, semi-volatile contaminants, and water chemistry, which would cost approximately \$500.

Mr. Maier commented that although Ingham County does not restrict the installation of irrigation wells, they do not issue permits. They do issue permits for drinking water wells.

Councilmember Bauer questioned if this is a public health concern.

Mr. Maier indicated that it is because anyone currently can drill a well for irrigation.

Councilmember Jeffries suggested that Delta Township be required to adopt some of these provisions as a part of their agreement with the BWL.

Mr. Maier indicated that these issues are being brought forward, but it is unknown if it is reaching the ordinance level yet.

#### Wellhead Protection Ordinance

Councilmember Jeffries questioned if the downspouts and floor drains are being disconnected during the CSO project. He commented that if they are not, then it is contrary to what the Wellhead Ordinance states. He requested that someone from Public Service attend the next meeting to answer questions about it.

**COUNCILMEMBER BAUER MADE A MOTION TO APPROVE THE WELLHEAD PROTECTION ORDINANCE.**

Mr. Smith reminded the Committee that the public hearing had not yet been held.

**COUNCILMEMBER BAUER WITHDREW HER MOTION.**

Ms. Peterson is to meet with Chad Gamble to discuss how the ordinance affects the CSO project.

Development Language

Mr. Smith commented that they are still researching the issue and configuring the requirements that the city could enforce to protect itself.

Councilmember Jeffries expressed his hope that this would develop into a well-known agreement standard.

Ms. Vroman cautioned against the \$5,000 support requirement for businesses and suggested that it would be better to offer an incentive.

Mr. Smith would like to have a boilerplate developer agreement to work from and asked Mr. Anderson and Mr. Dorshimer if they were familiar with any similar agreements.

Mr. Anderson is to look into that and share his findings with Mr. Smith.

Councilmember Jeffries commented that in the past, some agreements have asked that companies hire Lansing residents. He suggested that companies be required to hire locally.

Mr. Anderson stated there was a "make available" provision that would require that the company advertise in an area that typically makes less than the wage that being offered for a certain position to give a broader range of citizens an opportunity for good employment.

Mr. Smith stated that he would provide the first draft of the agreement next week and will look into similar agreements.

**OTHER**

Edgewood

Ms. Stachowiak stated that the developer is willing to work with the City.

**ADJOURN**

Meeting adjourned at 2:10 p.m.

Respectfully Submitted,

Diana Bitely

Interim Administrative Assistant

Lansing City Council

Approved by the Committee on 8/9/06

Appropriate documents are attached to original set of minutes.



**MINUTES**  
**Committee on Development and Planning**  
**Wednesday, July 12, 2006 - 12:00 p.m.**  
**Tenth Floor Conference Room - Lansing City Hall**

**CALL TO ORDER**

The Meeting was called to Order at 12:00 p.m.

**COMMITTEE MEMBERS PRESENT**

Councilmember Brian Jeffries, Chair  
Councilmember Joan Bauer, Vice Chair  
Councilmember Carol Wood, Member

**OTHERS PRESENT**

Terese Horn, Council Staff  
Margo Vroman, Law Department  
Brian Anderson, EDC  
Karl Dorshimer, EDC  
Ms. Peterson, BWL  
Susan Stachowiak, PND  
Rick Pennings, Villas  
Dorothy Boone, PND  
Brigham Smith, City Attorney

**Public Comment**

Comment was taken at the time of each issue.

**ACTION/DISCUSSION**

**Appointment of Kelly Rossman McKinney**

**COUNCILMEMBER BAUER MADE A MOTION TO CONFIRM THE APPOINTMENT OF KELLY ROSSMAN MCKINNEY TO THE BROWNFIELD, TAX INCREMENT, EDC. MOTION CARRIED, 3-0.**

It was requested that the Committee have an application and clarification on term to expire.

### **Brownfield Plan #2B- Former Motor Wheel Plant**

Mr. Dorshimer reported on Brownfield Plan #2B for the Former Motor Wheel Plant. The public hearing has been set for July 31, 2006, and the public notice has been sent out. He distributed a photograph of the site and reported on the history.

In August of 1997, the Lansing City Council established the Lansing Brownfield Redevelopment Authority (LBRA) and designated the entire City as a "Brownfield Zone". The primary purpose of the LBRA is to encourage the redevelopment of blighted, contaminated, and functionally obsolete property within the Brownfield Zone by providing financial incentives.

The site of the Brownfield project is the former Motor Wheel manufacturing facility located at 1600 North Larch St., on the north side of the City of Lansing. The site is composed of approximately 37.78 acres containing multiple buildings totaling approximately 700,000 square feet. The plant site has been used for more than eighty years to manufacture wheel assemblies and wheels for both military and passenger vehicles. The original owner of the property was Goodyear Tire & Rubber. Motor Wheel Corporation purchased the site from Goodyear in 1987. In 1996 Hayes-Lemmerz International Inc. acquired the property with a stock buyout of the Motor Wheel Corp. The facility stood empty for 3 years until Demmer Properties LLC purchased the property in 1999.

The Lansing Brownfield Redevelopment Authority (LBRA) teamed up with Demmer Properties LLC, and General Motors to redevelop the Motor Wheel Plant site. Demmer Properties invested approximately \$10,150,000 to assess and remediate site environmentally and renovate the buildings to support modern manufacturing operations. The Machine Tool Operation (MTO) of General Motor's Powertrain Group which was displaced as a result of the construction of the Lansing Grand River Assembly plant leased 250,000 square feet of the building. GM invested approximately \$2,750,000 in additional building improvements and environmental related expenditures. The project retained over 500 high-pay, skilled jobs in the City of Lansing.

The City's obligation is almost fulfilled. They find themselves where they lost some revenue from GM and logistics due to cutbacks from GM to outside companies. They have now successfully made the transition from automotive parts to other types and have now received a contract with someone to move forward with their business for various uses. They also plan to increase their plan.

They are finalizing the production order, which they plan to start in 4 weeks. They are already behind the state's date for daily productions. They have 95% chance that they would be award contract. They have fulfilled Logistic, tooling, and working on production and have started acquiring personal property.

Mr. Dorshimer stated that he estimates about 300 new jobs which will be used to forecast to the City taxes. It is planned to have 180 jobs in September and an additional 100 jobs in 12 months based on professional launch and performance. Of the initial 180 employees to be hired, 150 will be for direct positions and 30 will be for indirect functions. They do have existing facilities in Lansing, so they will have to transfer some of their experience machinist, but they will have to hire new to fill those positions.

The Committee is to be provided the original taxes in place now if nothing happens. There was question was raised if there is anything that the City can do to require job performance with a Brownfield.

Mr. Dorshimer reviewed the fact sheet including taxes to be generated over the life of the plan. The investment of the developer will be approximately \$11,970,000 including \$2,132,110 of eligible Brownfield activities. The plan will be for 12 years. Taxes generated will total approximately \$5,788,062. He stated would get approximately \$1,806,250 of eligible activities reimbursement. They will have to get state approval for SBT credit. He reviewed the eligible activities and costs associated with each activity.

He reviewed new tax revenues that would be generated by different taxing jurisdictions, whose millage is subject to capture by the LBRA. He indicated that he could add to this chart the taxes as it stands now compared to what it would be if the plan goes through. He stated that as the plan is proposed; the City will be capturing more taxes than if they did nothing.

They hope to get approval on July 31<sup>st</sup>. They are also working on the suppliers that would like to use some of the property in the District.

**Groundwater Ordinance (Demmer Properties) /Wellhead Protection (Site Plan Review Zoning Ordinance)**

This is an institutional control mechanism with respect to clean up of the contaminated property. He reviewed the intent of the ordinance is to implement new well protection standards to ensure the protection of groundwater resources and the safety of the public's drinking water.

INSERT MEMO INFO.

Gale Peterson stated if a person wants to continue the use of a well, they have must approve that there is no contamination in the water. If there is any contamination they would be prohibited to continue use of the well.

Ms. Peterson stated that the BWL is very supportive of this project. In fact, they feel that this ordinance would help them determine the location of contaminations. They don't believe that the ordinance would relieve anyone from responsibility or put the City responsible.

This is a citywide ordinance and the requirement would require that the BWL and the Ingham County Health Department issues would need to be meant.

The concern expressed by the Committee was to make sure that this would not change the responsible party to the City with respect to liability. Ms. Peterson stated that this would not change the responsible party.

Ms. Peterson is to provide the Committee with a list of wells. The current law does not exclude irrigation wells. The passage of this ordinance will no more allow wells for irrigation either unless tested. She stated that an exception clause could be worked into the ordinance to allow if they provide the BWL with documentation that proves there would be no contamination water. All BWL wells are in Saginaw aqua fir.

**COUNCILMEMBER WOOD MADE A MOTION TO SET A PUBLIC HEARING AND INTRODUCTION OF THE WELLHEAD PROTECTION (SITE PLAN REVIEW ZONING) ORDINANCE AMENDMENT FOR AUGUST 21, 2006. MOTION CARRIED, 3-0.**

Ms. Peterson stated that they worked with the Tri-County on Planning, to create the basis for these ordinances and this is the incorporation of a report done by the Commission.

**COUNCILMEMBER WOOD MADE A MOTION TO SET THE PUBLIC HEARING FOR MONDAY, AUGUST 21, 2006 FOR THE GROUNDWATER ORDINANCE (Demmer Properties). MOTION CARRIED, 3-0.**

**PILOT - The Villa, 315 E. Edgewood Ave.**

Ms. Boone stated this is for a 10% pilot and is for a 230 housing unit renovation, in conjunction with proposed financing of \$5 million. The first year taxes would be due \$144,335. They believe that the proposed renovations will improve the housing stock. With the proposed rents it would be equivalent to what is already collected.

Councilmember Jeffries explained the situation with respect to property needed for a CATA bus stop.

Based on this information and analysis, staff believes that:

1. The application meets criteria for an automatic 10% PILOT according to established policy.
2. The automatic 10% PILOT remains available by existing ordinance, notwithstanding the moratorium established by resolution.
3. The proposed renovations will improve rental housing stock and reverse decline of the property.
4. Tax revenue under the proposed PILOT will be substantially equivalent to what is currently received.

Therefore, staff recommends that this PILOT request be approved.

Ms. Boone submitted additional information in a fact sheet.

If approved, the PILOT would trigger \$5 million in housing rehabilitation investment which will improve the property and positively impact the area. It would also add

affordable units that would help meet needs identified in our Consolidated Plan. The PILOT would generate match for our HUD grants. The Development office supports the PILOT.

The dwellings at 315 E. Edgewood have current certificates from code compliance. They have followed up on all violations from previous inspections. I have no negative comments regarding this property. The question was asked if this is elderly and the Committee was informed that it was.

**COUNCILMEMBER BAUER MADE A MOTION TO SET A PUBLIC HEARING AND INTRODUCTION OF ORDINANCE FOR THE VILLAS AT 315 E EDGEWOOD AVE. MOTION CARRIED, 3-0.**

**Approval of an Industrial Development District for Oakwood Industrial Park**

Mr. Dorshimer reported on the particulars for the Industrial Development District. It establishes and approves spec building for each building. This will allow the opportunity for future suite applicants. This will only set a District and allow them to use the District as a marketing tool. Oakwood LLC is a derivative of Dart Corporation.

**COUNCILMEMBER BAUER MADE A MOTION TO APPROVE THE OAKWOOD LLC. MOTION CARRIED, 3-0.**

**COUNCILMEMBER BAUER MADE A MOTION TO APPROVE THE SPEC BUILDING. MOTION CARRIED, 3-0.**

**OPRA District for 106 W. Allegan – Hollister Building**

Mr. Anderson reported on the particulars of the OPRA District for 106 W. Allegan for the Hollister Building. There will be a \$7.8 million improvement. They are going to try to bring up the structure as it was in the 1940s initially.

He reported on the particulars of the development. He reviewed the project summary sheet. It will take approximately two years to finish the building.

Mr. Anderson stated that if a building taxable value is in question and those seeking the abatement would have to settle with the tax tribunal before they could begin the process; or EDC would not be able to offer a tax incentive at that time.

The Committee commented about previous developments and that this particular developer received a tax incentive for Capital View and then later went to the Tax Tribunal. Mr. Anderson stated that the issue with Capital View is between the Assessor's office and the developer, and he didn't know all of the particulars on it. The concern of the Committee is that the past history with the developer and whether we could expect the same results.

Questions by the Committee included: Is it possible to put in a Development Agreement or Brownfield Agreement that the developer would give up the right to apply for more tax incentive.

Mr. Dorshimer stated that he believes that the OPRA agreement could have a stipulation restricting them from requesting a lower assessment and that the OPRA would be rescinded; and he does not believe the Brownfield would not allow it.

Mr. Smith is to research what could be incorporated into a Brownfield or OPRA District so that they could not apply for any other tax incentive for that site.

It was the consensus of the Committee to approve the Brownfield #26

**COUNCILMEMBER WOOD MADE A MOTION TO APPROVE THE BROWNFIELD #26. MOTION CARRIED, 3-0.**

Bauer exited 2:05 P.M.

### **Lot Split**

Ms. Stachowiak reported on the particulars of the lot split. The project is more of a lot alteration than a lot split. This brings them into compliance with everything other than the size of the lot. There is adequate parking for each lot.

**COUNCILMEMBER WOOD MADE A MOTION TO APPROVE THE LS-9-06 WITH THE CAVEAT THAT THE BLUFF PROPERTY HAVE THE APPROPRIATE DRIVEWAY FOR THE LOT AND THAT BOTH THE PROPERTY ON BLUFF AND SYCAMORE DEPICTED IN THE DRAWING BE RESTORED TO GRASS. MOTION CARRIED, 2-0.**

### **Edgewood Blvd. Turn-a-round**

Pending.

### **Development Agreement Review**

Pending.

### **Other**

Front Yard setbacks – to get a copy to Law for their review.

Mr. Smith stated that the creation of districts and certification was reviewed and he feels that this could be consolidated as long as the District was approved first.

AT THE NEXT MEETING:

- EDC provide an update on Project Reviews
- Compliance measures
- Discussion on the Mark Spagnolia file

**ADJOURN**

The Committee meeting was adjourned at 2:25 p.m.

Submitted by,

Terese Horn

Administrative Secretary

Lansing City council

Approved by Committee

8/24/06

Supporting Documentation Attached.



**MINUTES**  
**Committee on Development and Planning**  
**Thursday, June 14, 2006 – 12:00 p.m.**  
**Tenth Floor Conference Room – Lansing City Hall**

**CALL TO ORDER**

The Meeting was called to Order at 12:03 p.m.

**COMMITTEE MEMBERS PRESENT**

Councilmember Brian Jeffries, Chair  
Councilmember Joan Bauer, Vice Chair - arrived @ 12:12 p.m.  
Councilmember Carol Wood, Member

**OTHERS PRESENT**

Terese Horn, Council Staff  
Margo Vroman, Law Department  
Brian Anderson, EDC  
Mike Peplowski, Boji  
Kathy Curran, Harvest House  
Karl Dorshimer, EDC  
Sue Stachowiah, PND  
Jim Cash, Christman  
Kevin Green, PSD  
Michael Cole, FSC

**Public Comment**

Public Comment taken at the time of each issue addressed.

**ACTION/DISCUSSION**

**1011 N. Washington OPRA Drive**

Mr. Brian Anderson highlighted information previously reported with respect to the request for an OPRA filed by Harvest Music & Sound Design for 1011 N. Washington.

**COUNCILMEMBER WOOD MADE A MOTION TO APPROVE THE APPLICATION FILED BY HARVEST HOUSE & SOUND DESIGN FOR AN OPRA DISTRICT AT 1011 N. WASHINGTON. MOTION CARRIED, 2-0.**

**Hollister Building Brownfield Plan #26 – 106 W. Allegan**

Mr. Mike Peplowski reviewed their plans to completely renovate the building and offer more housing in downtown. This will add a retail component on the corner of Allegan and Capitol.

Councilmember Bauer arrived @ 12:12.

The reason that they are asking for a tax exemption is because the high costs for renovation. They would like to alleviate some of these costs. The building is functionally obsolete and qualifies for the OPRA on the first four floors. The NEZ will cover the top floors.

Mr. Anderson stated that they worked with TIFA, and as a result, they will make \$304,805 new taxes. The Principal Shopping District will lose the assessment on the upper floors. Mr. Kevin Green reported that they would probably lose about \$1,000 to this project.

Mr. Anderson reviewed the NEZ process with respect to rental and ownership.

Mr. Peplowski commented that the business on the third floor indicated that they would move if they did not renovate the building. They will be going after the historic tax credits. He stated there is concern about the length of the process because of the first phase needing to be completed during good weather.

**COUNCILMEMBER WOOD MADE A MOTION TO APPROVE THE NEZ CERTIFICATE FOR THE HOLLISTER BUILDING AT THE LOCATION OF 106 W. ALLEGAN. MOTION CARRIED, 3-0.**

**COUNCILMEMBER WOOD MADE A MOTION TO SUPPORT A RESOLUTION SETTING A PUBLIC HEARING FOR JULY 10, 2006 FOR THE HOLLISTER BROWNFIELD PLAN #26 AT 106 W. ALLEGAN. MOTION CARRIED, 3-0.**

**COUNCILMEMBER WOOD MADE A MOTION TO SUPPORT A RESOLUTION TO SET THE PUBLIC HEARING FOR THE OPRA DISTRICT FOR THE HOLLISTER BUILDING AT 106 W. ALLEGAN ON JULY 10, 2006. MOTION CARRIED, 3-0.**

**Mutual Building Redevelopment Project @ 208 N. Capitol Ave  
Brownfield Plan #25 & OPRA**

Mr. Dorshimer highlighted the particulars of the request for the Brownfield Plan and OPRA District for the Mutual Building Redevelopment Project.

**COUNCILMEMBER BAUER MADE A MOTION TO APPROVE THE MUTUAL BUILDING BROWNFIELD PLAN #25 AT THE LOCATION OF 208 N. CAPITOL AVE. MOTION CARRIED, 3-0.**

**COUNCILMEMBER BAUER MADE A MOTION TO APPROVE THE OPRA DISTRICT FOR THE MUTUAL BUILDING REDEVELOPMENT PROJECT AT 208 N. CAPITOL AVE. MOTION CARRIED, 3-0.**

**1213 N. Turner - Z-2-06**

Ms. Stachowiak reported on the particulars of the request for a rezoning at the location of 1213 N. Turner. She stated that they have not received any opposition to this project. It fits into the Master Plan and the zoning of the area. Mr. Terry is seeking an OPRA District designation for the property at 1213 N. Turner.

Mr. Terry appeared before the Committee to provide the Committee with an explanation on their intent for the building. His stated they plan on restoring the building. The zoning would be changed from "H" Light Industrial District to "G-1" Business District to give it a mix of commercial, office, and residential uses. They plan on housing such things as an artist studio, restaurant, and using some area for commercial use, and loft apartments.

**COUNCILMEMBER WOOD MADE A MOTION TO APPROVE Z-2-06 REZONING FROM "H" LIGHT INDUSTRIAL DISTRICT TO "G-A" BUSINESS DISTRICT AT 1213 TURNER STREET. MOTION CARRIED, 3-0.**

**Prudden Building Phase II NEZ District**

Mr. Anderson reviewed the particulars of the request for a NEZ District from the Gillespie Group for the Prudden Building, Phase II on a vacant lot along May Street. The housing improvements will include new construction of 48 for-sale condominiums and 24 luxury rental apartments with an approximate investment of \$3,500,000. They feel that a NEZ would be essential in the marketing effort in the for-sale effort. He stated that they feel there is a risk involved, but it could have a positive economical impact. He commented about the benefit of the project for the City. The reduction in the property tax could help in the decision for someone to purchase a home in the downtown area.

The action is just establishing the public hearing for the district. This would provide a tax exemption for a period of 12 years.

**COUNCILMEMBER WOOD MADE A MOTION TO APPROVE A RESOLUTION SETTING THE PUBLIC HEARING FOR JULY 10<sup>TH</sup> FOR PRUDDEN PLACE (PHASE II). MOTION CARRIED, 3-0.**

**Smart Office Systems - 3366 Remy Drive/Brownfield Plan #27 and IDD 3-06**

Mr. Anderson questioned if there were any further questions of the Committee with respect to the project after he presenting his overview on Monday.

The Committee requested that a 6-month report on developments be submitted to Council.

Mr. Anderson stated they are planning on doing more of the retention calls themselves. They will review what corporations have invested in the City, employees, etc.

**COUNCILMEMBER WOOD MADE A MOTION TO APPROVE THE BROWNFIELD PLAN #27 AT 3366 REMY DRIVE FOR SMART OFFICE SYTSEMS. MOTION CARRIED, 3-0.**

**COUNCILMEMBER WOOD MADE A MOTION TO APROVE THE IDD-3-06 FOR SMART OFFICE SYSTEMS AT 3366 REMY DRIVE. MOTION CARRIED,3-0.**

### **PILOT ORDINANCE**

Ms. Boone reported that what she is proposing is to provide a criterion to streamline the current policy. She reviewed some of the recommendations. There was question raised about how the City could get out of PILOT's that are over 10%. Some of the recommendations are as follows:

1. narrowing restriction of the use of PILOTS
2. restriction of rehab vs. new building
3. restrict use of PILOT's geographically

Ms. Boone reviewed the PILOT program comparison chart provided to the Committee. They are collecting about 25% of what they otherwise would be collecting in property tax. She noted the quality opponents is important and is what we get with the PILOT's that we would not get if one weren't received. There was concern expressed with respect to their locations.

Councilmember Wood requested how many violations of the Housing Code and Code Compliance have been during the life of a PILOT. She questioned the possibility of the PILOT being revoked if there are Code Compliance violations and suggested holding public hearings.

Mr. Roberts stated that MSHDA requires us to treat it as a contract that would not be revoked within the lifetime of the PILOT. It is probable that lenders would not loan funds if the PILOT could be revoked. The City has a right to require that the property must remain available to low income families according to MSHDA. He suggested that the PILOT be limited to a ten year period with the understanding that they remain compliant. However, MSHDA may have issues and may not grant loans with that provision in the contract. If by a resolution, it would mean under the ordinance they would still qualify by statute of the 10% but not get the 4% as our norm. If there is a request for a PILOT and there is not a moratorium on PILOTS, the City has to grant the 10% PILOT. The City cannot do anything to stop the PILOT because the statute gives them the right.

Councilmember Jeffries voiced concern about PILOTs creating a density problem, which is why there is interest in changes to the ordinance. He remarked about the philosophy low income housing and the City having some control of it. The difficulty is that some low income residents equates to bad neighbors.

Mr. Roberts commented about the need to have low income housing under a controlled environment so that they are not supplied by slum landlords.

There was a discussion about how the City could control low income housing.

Concerns include:

Geography  
Density  
Rehab  
Mixed income

There was comment made about the good efforts of an occupant if they reside within a mixed income and other well-kept homes.

Ms. Boone stated that her research showed that the crime rate is not greater in PILOT areas as opposed to non-PILOT areas.

PENDING (PILOT & Schwartz Bradely issue to be at the next meeting).

#### **HOME & CDBG REHAB REQUIREMENTS**

Ms. Boone reviewed requirements for a HOME or CDBG rehabilitation home.

Mr. Cole commented about the situation of Ms. Graham with respect to her home that was rehabbed under HOME funds. She needs corrective measures taken. The Committee requested that Law follow up on the HOME issue.

Councilmember Wood requested further question on refinancing houses that the City does not sign off. She suggested they make better loans, clean up the outstanding loans, and reward deferred maintenance.

PENDING.

#### **Seven Block Tolling**

Mr. Smith stated that they have been in discussion with the Eyde group. They fill the best way to handle this is to renew the tolling for another six-month basis. The 25% of the abatement will be going away after the remainder of this year and next year. This is a hammer that is falling on its own accord. He recommended that he be given more time to clean it up.

**COUNCILMEMBER BAUER MADE A MOTION TO SUPPORT EXTENDING THE TIME TABLE CONCERNING THE PROJECT COMPLETION DATES UNTIL EITHER JULY 1, 2006 OR EXECUTION OF AN AGREEMENT AMENDING THE MAY 1999 AGREEMENT. MOTION CARRIED, 3-0.**

Councilmember Bauer exited at 2:25 p.m.

**Approval of Minutes**

**COUNCILMEMBER WOOD MADE A MOTION TO APPROVE THE MINUTES OF APRIL 18, 2006, COMMITTEE MEETING, AS SUBMITTED. MOTION CARRIED, 2-0.**

**ADJOURN**

The Committee meeting was adjourned at 2:42 p.m.

Submitted by,

Terese Horn

Administrative Secretary

Lansing City council

Approved by Committee

Supporting Documentation Attached.

8/9/06



**MINUTES**  
**Committee on Development and Planning**  
**Wednesday, April 5, 2006 – 12:00 p.m.**  
**Tenth Floor Conference Room – Lansing City Hall**

**CALL TO ORDER**

The Meeting was called to Order at 12:05 p.m.

**COMMITTEE MEMBERS PRESENT**

Councilmember Brian Jeffries, Chair  
Councilmember Joan Bauer, Vice Chair  
Councilmember Carol Wood, Member

**OTHERS PRESENT**

Terese Horn, Council Staff  
Margo Vroman, Law  
Jeff Turner, Teen Challenge  
Michael Cole, Fair Share  
Jim Houthoofd, Neogen Corp.  
Karl Dorshimer, EDC  
Mitch Whisler, Transportation  
Carmen Pearl, Citizen  
Sue Stachowiak, PND  
John Pollard, Citizen  
Ray Cauticv, Teen Challenge

**Approval of Minutes**

**NO MINUTES SUBMITTED**

**Public Comment**

Comment taken at the time of each issue.

## ACTION/DISCUSSION

### Brownfield Plan #24 – Setting a public Hearing for May 8, 2006

Mr. Dorshimer outlined the Brownfield Plan #24. He reviewed some of the data particulars and commented that there has been support from the neighborhood.

Councilmember Jeffries explained that the Edgewood sidewalks and turn-a-round plays a big part in this development.

It was reported that this project qualifies for a Brownfield because of the environmental problems. They are also going to apply to the State of Michigan for a tax reduction.

Mr. Dorshimer stated that without a Brownfield tax break, they would not be able to proceed with the development because of the costs that would have to be spent. The number of years to capture the Brownfield tax break under the law is a minimum of 4 years but their standard practice is 12 years. This would be for 12 years.

The Committee reviewed the financial data and their significance.

### **COUNCILMEMBER WOOD MADE A MOTION TO SET THE PUBLIC HEARING ON THE BROWNFIELD #24 FOR MAY 8, 2006. MOTION CARRIED, 3-0.**

### CDBG Program

Ms. Boone remarked about reasons that one may or may not be eligible for a CDBG. There is no interest charged or a monthly payment. The amount is due if the owner moves, sells, or no longer occupy the housing.

Ms. Boone stated that they previously did not getting financial confirmation of the properties, but they are doing so now.

Ms. Frassetto reported that the letter stated that the property needed to be in her name to refinance the house. During that process, the warrantee deed was requested and she sent something she thought was it; however, it was not the deed. She stated that she was first contacted on June 2003 that her name came up and indicated that the list at that time was a two year wait. She was last contacted and informed that she was taken off the list because of financial problems.

Home ownership is necessary and they were not able to get information about the ownership of the property. Ms. Frassetto stated that she is now the total owner of the property. Ms. Boone stated that she would make arrangements to have Ms. Frassetto work with someone in their department. However, this program has been reduced because of the lack of funding.

Further discussion will take place on the matter at the time of ordinance review.

### Obsolete Property Rehabilitation District – 1614 E Kalamazoo – Neogen Corp.

Mr. Dorshimer reported on the application for the obsolete property Rehabilitation District. Neogen is growing and expect to be using this property. He reviewed the particulars on the project. They are asking to set a public hearing for May 1, 2006. They have been doing clean-up and making improvements and are evaluating the property.

Mr. Dorshimer stated that this is the part of the process for consideration of an OPRA (obsolete property rehabilitation). The property has to be determined 50% obsolete. It qualifies under this

criterion because the building is not designed for the proposed use. He reviewed the criteria to qualify for an OPRA.

**COUNCILMEMBER BAUER MADE A MOTION TO SET A PUBLIC HEARING ON THE OPRA STATUS FOR NEOGEN AT 1615 E. KALAMAZOO ON MAY 1, 2006. MOTION CARRIED, 3-0.**

#### **SLU-1-06 - 510 W. WILLOW STREET – LANSING TEEN CHALLENGE**

Ms. Stachowiak reported on the particulars of the SLU request. She stated that the Planning Board approved the application with the condition that the owner would continue compliance with the original provision.

There was some discussion with respect to parking spaces availability. The committee was informed that they are working on the parking now, but they do not expect a problem after they finish the construction. This is not a coed facility, but they do have women and men programs. They hope to obtain school property for the men's facility and use the current facility for women.

**COUNCILMEMBER WOOD MADE A MOTION TO MOVE THE RESOLUTION APPROVING THE SLU-1-06 – 510 W WILLOW STREET FOR LANSING TEEN CHALLENGE. MOTION CARRIED, 3-0.**

The committee was informed that there was a measure put in place with respect to security. They have two staff people monitoring night activity. He feels that there is not a need for another staff assist.

#### **Update on Moores River Drive**

Ms. Dykema reported on the bridge on Moores River Drive. She stated that there has been discussion about what would be acceptable with respect to the guard rail. She reported that they could construct a retaining wall 10 ft to the right to have the clearing sufficient. They are trying to find some funding. They are researching whether this project is eligible to be paid as a beautification project. They plan to start construction next week. She reported on the plan to maintain access and have the country golf course open as much as possible.

The project is expected to be between \$20,000 minimum costs, \$35,000, medium upgrading, and \$50,000 to move the building and wall back and extending the pipes. Ms. Dykema stated that the press release is ready to go out and place door hangers. She was requested to put an informational sheet together to be added to the door hangers. She will provide the letter to Council.

Mr. Mitch Whisler reported that they would be putting up signage starting tomorrow.

There was discussion with respect to the condition of the road and putting in a request to MDOT about restructuring the street.

#### **PILOT Ordinance Amendment**

Ms. Boone reported that they are not recommending anything that doesn't conform to the current policy. She reviewed the particulars on the PILOT ordinance.

Ms. Vroman stated that if we approve a PILOT, we would not be able to pull it. However, if you want to remove the plan, we can put a moratorium on the PILOT. If the City does not put a moratorium on the PILOT as it is now, that could continue. However, if a company qualifies for a

PILOT, the City has to approve it. Even if the Committee does not review a PILOT but a company qualifies, they must be granted.

From a policy prospective, Councilmember Jeffries is not comfortable and understood that we were going to have a more detailed discussion on the PILOT ordinance.

Ms. Boone stated that opting into a program like this, puts pressure on single housing stock and has an opportunity to produce quality rental housing.

There was general discussion with respect to high-rise buildings on the south side of the City.

Ms. Vroman is to research the possibility of limiting PILOTS for rehabs as opposed to the complete projects.

### Other

#### **School of the Blind Property**

Councilmember Jeffries updated on the Committee on the tentative agreement between the Mid-Michigan Academy and the Lansing Housing Commission. He suggested putting out a committee report indicating support.

Councilmember Bauer remarked that she has read the committee report, which has an excellent analysis, but she is uncomfortable with making a statement that she supports of the two scenarios: all property sold to either mid-Michigan or agreement to have the Housing Commission purchase the land and sale the 9.6 to mid-Michigan for their school.

#### BTS site property

It was the consensus of the Committee to have at the next meeting an update from EDC on the BTS site.

### ADJOURN

The Committee meeting was adjourned at 1:55p.m.

Submitted by,  
Terese Horn  
Administrative Secretary  
Lansing City council

Approved by Committee 12-27-06  
Supporting Documentation Attached.



**MINUTES**  
**Committee on Development and Planning**  
**Wednesday, October 5, 2005 - 10:00 a.m.**  
**Tenth Floor Conference Room - Lansing City Hall**

**CALL TO ORDER**

The Meeting was called to Order at 10:09 a.m.

**COMMITTEE MEMBERS PRESENT**

Councilmember Joan Bauer, Chair  
Councilmember Sandy Allen, Vice Chair  
Councilmember Geneva Smith, Member

**OTHERS PRESENT**

Terese Horn, Council Staff  
Bill Rieske, PND  
John Pollard, Citizen  
Darnell Oldham, Citizen  
Jim Ruff, PND  
Chris Stuchell, Housing Commission  
Robert Creagh, Wayne Street developer  
Margo Vroman, Law dept.  
Dorothy Boone, PND  
Tanya Moore, Parks  
Ronald Sutberry, Wayne St.  
Larry Nakfoor, Wenco Prop.  
Roxanne Cleaveland, Dalmations Firehouse Grille  
Dan Launsten, MI Restaurant Assoc.  
Rob Gifford, Michigan Restaurant Assoc.

**Approval of Minutes**

**COUNCILMEMBER ALLEN MADE A MOTION TO APPROVE THE MINUTES OF AUGUST 3 AND SEPTEMBER 28, 2005, COMMITTEE MEETINGS. MOTION CARRIED, 3-0.**

**Public Comment**

Mr. Pollard and Mr. Oldham spoke in support of PRD-1 for Wayne Street.

Mr. Oldham expressed concern about not informing neighbors about issues that affect them.

**ACTION/DISCUSSION**

**Act-4-05 - 225 W. Washtenaw, Easement in City Parking Lot, Lot 11, Blk 127, Original Plat**

Mr. Rieske reported on the particulars of this proposal. He stated that the proposal would replace store fronts with the new constructed building for the Michigan Restaurant Assoc. There is a parking lot behind the site. The proposal is for a deed permit prohibiting the City from building closer than 10 ft. from the lot. This will allow them to provide windows on the side of the building of the lot. They are also proposing an easement of 4 ft. for a pedestrian sidewalk in the back of the building and an easement for underground gas utilities within the same 10 ft. restriction of the building to be used for a sidewalk. The resolution provides for the property to allow them to construct the building as planned and still preserve the City's objective for the use of the parking lot or future land use or potential redevelopment.

Mr. Ruff stated there is already an easement across the property for Colley Law School. The proposal would not hinder Colley Law School easement rights and they are in support of the proposal. These requests are essential in the effort to construct the building at the size they want. The City will still have the parking lot. However, they do expect that they would need to use some of the parking lot during construction. He stated that they have developed a good relationship with the Michigan Restaurant Association and in support of the proposal.

Ms. Vroman stated there would be approximately a \$20,000 fee charged for the proposed 10 ft. by 110' dead restriction area.

Mr. Gifford reported on their commitment to be in downtown Lansing. The existing building is at the point that they either rebuild or move outside the City. It is their goal to stay in Lansing for various reasons.

**COUNCILMEMBER ALLEN MADE A MOTION TO APPROVE ACT-4-05, 225 W. WASHTENAW FOR EASEMENT IN CITY PARKING LOT. MOTION CARRIED, 3-0.**

Mr. Gifford reported there would be lease space in the building.

**Act-6-05, 100 Block, W. Elm, Sale of Parcel**

Ms. Cleaveland reported on their goal with the proposed restaurant. She indicated that it is important for them to stay in Lansing. They currently live in Lansing and love where they live.

Mr. Ruff reported on the background and particulars of Act-6-05 at 100 block of W. Elm Street. He reported that Wenco has agreed to exchange property closer to the River Trail for vacant City-owned property. The portion that the City is exchanging is property intended to be combined with the Grand Auto Car dealership (former owner) at 1102 W. Washington that never transpired. The new owners are Wenco Properties and they would like to combine this property with their property to be make a larger overall property. He stated that this is correlation of the renaissance for this area. What we are actually doing is swapping some of the City land for an easement along the river.

Ms. Moore explained because this is in front of the waterfront it will be protected as part of the River Trail. What we would be trading is not waterfront land. This parcel would also help to connect several City-owned parcels along the east side of the river.

The development would be added to the existing Brownfield that is already in place.

Ms. Cleaveland explained that she talked with Mr. Nakfoor after she had heard about his purchase and they worked out a deal that would benefit both of them. She was going to have to move out of the City if she couldn't find parking for her establishment and this will do that and would also preserve an historic building.

**COUNCILMEMBER ALLEN MADE A MOTION TO APPROVE ACT-6-05, 100 BLOCK, W. ELM STREET AS REVISED TO INCLUDE ADDITIONAL PROPERTY.**

Ms. Moore stated that of late Parks had decided that they would like to change the legal description to allow for more land. Mr. Nakfoor stated that he was sure they could work something out.

**ON THE MOTION: MOTION CARRIED, 3-0.**

**10% PILOT Ordinance for Oliver Gardens, 3117 S. MLK**

Mr. Stuchell presented a site plan and described the plans for the Oliver Gardens project to the Committee. He reviewed the frontage plans for the housing in the project. He assured the Committee that the buildings will not look plain at all. He reported on the security measures for the site. This will be senior housing complex that may include some seniors with disabilities.

**COUNCILMEMBER SMITH MADE A MOTION TO SUPPORT THE RECOMMENDATION OF THE PND AND ADOPT AN ORDINANCE AMENDMENT FOR CHAPTER 884, BY ADDING THE SECTION 884.10 TO PROVIDE FOR A 10% PILOT FOR THE OLIVER GARDENS PROJECT AT THE LOCATION OF 3117 N. MLK, JR. BLVD. MOTION CARRIED UNANIMOUSLY.**

Mr. Pollard and Mr. Oldham expressed support on the tax abatement for this senior community.

SUBSEQUENT TO THE MEETING, STAFF REPORTED THAT A PUBLIC HEARING HAD NOT BEEN HELD ON THIS MATTER; THEREFORE, THE CHAIR ON BEHALF OF THE COMMITTEE SET A PUBLIC HEARING FOR OCTOBER 24, 2005, IN CONSIDERATION OF THE 10% PILOT FOR THE OLIVER GARDENS PROJECT.

#### **OTHER**

##### **PRI-1, Wayne Street**

Mr. Creagh again provided the Committee with an overview on the project. He addressed each of the concerns brought forth at the last meeting: speeding, street width, and pond.

Mr. Stutberry gave testimony with respect to the proposed development. He expressed that he doesn't have a problem with the development, but has concerns about the size of the development. The development is oversized for the area. He also commented about beautiful trees that have already been removed.

Councilmember Allen voiced concern about the street having this size of a project because of the rural ambiance of the street.

Ms. Vroman reviewed the criteria that has to be used to examine the proposed development. The Committee has to go through and examine it and if this is not approved, it has to be based on not meeting one of the criteria.

Councilmember Smith commented about the negative impression the City many times gives to the developers. She indicated that she would vote for this project.

**COUNCILMEMBER SMITH MADE A MOTION TO APPROVE THE PRI-1-2005, FOR THE PLANNED RESIDENTIAL DEVELOPMENT FOR SITE CONDOMINIUMS. MOTION CARRIED, 2-1 (Allen)**

Mr. Pollard spoke in support of this project.

Mr. Stutberry reported that a petition has been circulated and they already almost have the minimum signatures required.

Ms. Vroman informed the Committee that this is not a re-zoning and a protest petition is not applicable.

**Other**

Turner Street Project - Councilmember Bauer informed the members that she is meeting with Mr. Buono about this project. She stated that she had spoke with Mr. Ruff and he feels that may be able to work out a win, win situation with Mr. Buono. Mr. Ruff is willing to set down and work out an agreement with Mr. Buono on the property.

**PILOT Ordinance**

Ms. Boone reported on the proposed PILOT Ordinance. She reviewed the state law for properties that meet the criteria for a 10% tax abatement which allows through state statute a 10% tax abatement for developers that met the criteria. Even though the developer could receive a 10% PILOT under the state statute, because the City also reviews them, they would like a more definable assurance. She stated as the ordinance is currently written, an applicant can not be denied. She stated that this would streamline the policy. She questioned why the Council would want to continue reviewing each applicant when there is a policy passed that approves a 10% tax abatement.

Ms. Vroman stated that the applicant is worried that the Council could renege on the tax abatement.

Ms. Vroman stated that the ordinance could be changed so that the City would not accept any PILOT request. If the City changes the PILOT ordinance that ban the use of any PILOT, they would not be able to obtain an ordinance from the State. It appears that the Committee may want to reconsider the ordinance and not accept any PILOT with exceptions.

Ms. Boone reported that there department's opinion is that the 10%PILOT is beneficial. If there is no PILOTs considered, it would send out a negative message to developers that the City does not welcome development.

Ms. Vroman explained that the Committee does have a say for any PILOT above the 10%. She explained that in order ban PILOTS, the City would have to Opt out from the State Statute.

Councilmember Bauer indicated that the question is does the City want to allow for a 10% tax abatement or to opt out of the state statute 10% PILOTs.

Pending two weeks with revised language in the ordinance.

### **Budget Policies and Priorities**

Councilmember Bauer recommended that this be kept to a minimum.

- 1) City Council encourages Administration to direct the Planning Department to designate home dollars for owner-occupied housing.
- 2) City Council encourages Administration to continue to seek and support funding for a South Side Community Center.
- 3) City Council encourages Administration to promote beautification with all proposed development projects along with having a commitment to include beautification with all City projects to assure the project is esthetically appealing. Public Service projects should provide tree planting for esthetic beauty.
- 4) City Council encourages Administration to be committed to revitalization and improvements to major corridors in the City.
- 5) City Council encourages Administration to provide community awareness and education to emergency response preparedness.
- 6) The Administration should honor City match money (MPP) commitments and think of coordinating our expenditures to effectively maximize the impact of resources invested.

### **ADJOURN**

The Committee meeting was adjourned at 12:15 p.m.

Submitted by,

Terese Horn

Administrative Secretary

Lansing City council

Approved by Committee

Supporting Documentation Attached.

*12-7-05*



**MINUTES**  
**Committee on Development and Planning**  
**Wednesday, June 22, 2005 - 10:00 a.m.**  
**Tenth Floor Conference Room - Lansing City Hall**

**CALL TO ORDER**

**The Meeting was Called to Order at 10:14 a.m.**

**COMMITTEE MEMBERS PRESENT**

Councilmember Joan Bauer, Chair  
Councilmember Sandy Allen, Vice Chair  
Councilmember Geneva Smith, Member - Excused Absence

**OTHERS PRESENT**

Terese Horn, Council Staff  
Jim Ruff, PND  
Dorothy Boone, PND  
Margo Vroman, Law Department  
John Pollard, Citizen  
Denise A. Estee, Development  
Chad Gamble, Public Services  
Jane Dykema, Public Services  
Bill Ricskc, PND  
Jim Ruff, PND  
Kevin McKinney, Atty.  
Thomas Lapka, Citizen  
Chris Stuchell, LHC  
Denise Estee, Development  
Jamie Czekai, LHC  
Amy Hovey, LHC  
Dona Davenport, LHC  
Mr. Curtis, 1012 W. Lenawee

### **Approval of Minutes**

No Minutes Submitted.

### **Public Comment**

There was no Comment at this time.

### **ACTION/DISCUSSION**

#### **ACT-16-04 - Acquisition of 844 Harris Street/CSO Project**

Mr. Gamble outlined the reason for the need to act on the acquisition for 844 Harris Street in order to maintain the sewer. In the past, homes were allowed to be built over sewers. The sewer goes right under three homes. They hope to soon purchase two of the three homes. However, at this time, one of the homes is priced too high, \$80,000. They hope the owner will rethink the City's offer, as the offer was \$500 over the appraisal of \$50,000. There may be other areas of interest found during the CSO project. There may be a need to take some kind of action in those areas in order for clean up. The reason that they are proposing acquisition of these homes is because they know the sewer was laid in 1986 and expect future repairs. If the City does not purchase the homes, they would have to be demolished the homes in order to repair the sewer lines when necessary. By purchasing the homes, they hope to move them and resale them. This is a large denominator sewer and serves a big district; therefore, there is more of a concern. If it didn't furnish such a large area, they would probably not pursue acquisition. The money will come out of the CSO fund.

**COUNCILMEMBER ALLEN MADE A MOTION TO APPROVE THE RESOLUTION FOR THE ACQUISITION OF 844 HARRIS STREET. MOTION CARRIED, 2-0.**

#### **Update on 3117 S. MLK Oliver Gardens**

Mr. Ruff provided the background on the purchase of 3117 S. MLK Oliver Gardens. He reviewed the past resolutions extending the compliance of the development with the LHC. There was a one year extension granted in the past resolutions. They have applied for another type of tax credit and in order to provide the time for processing it, they would like another extension or pass something to indicate they continue the last extension.

There was a presentation with diagram on the property site, landscaping, and the organizational changes. The housing will be for low income elderly people. They hope to have residents in within 9 months. There

will be 30 units available. They are requesting a 10% PILOT and MISHA requires an PILOT ordinance. It was noted that there has been placed a moratorium on PILOTs due to the budget situation.

City Attorney is to investigate how a PILOT could be issued. However, at this time there is a deadline on the last extension of June 30<sup>th</sup>. Therefore, they would like Council to pass another resolution to extend the compliance of the development. It was suggested that they add in the resolution that there is currently a moratorium on PILOTs; however, it does not mean that this would not be an outcome for this project.

**COUNCILMEMBER ALLEN MADE A MOTION TO SUBMIT A RESOLUTION TO EXTEND THE COMPLIANCE OF THE DEVELOPMENT FOR ONE YEAR BEGINNING ON JULY 1, 2005. MOTION CARRIED, 2-0.**

**Property at the SW Corner of Jolly and Pine Tree Road (PPN 33-25-05-02-200-042) – Transfer of Jurisdiction to Ingham County Road Commission**

It was explained that this portion of property purchased was part of the right-a-way for the reconstruction of Jolly Road. The resolution is to transfer the jurisdiction of this property from the City to the Ingham County Road Commission.

Ms. Dykema stated that the county will not be reimbursing the City for costs for the purchase of the property but is taking it over as a favor. This property was purchased to provide the necessary property for the curb and gutter needed with the construction for the movement on Jolly Road. She stated that the initial intent was to turn it over to the county.

Ms. Vroman explained that there is an issue that the transfer would prevent, any liability of the City.

The Public Service Department is to provide further information as to what part of the property was the purchase for \$10,000.

Pending Next Committee Meeting.

**Update on the Property at 1012 West Lenawee**

Councilmember Bauer provided the history on this issue and the different issues the Curtis's had with the dissatisfaction of the house. Barb Kimble was investigating what needs to be done. It is before this Committee to determine what the affect may have on the purchase and grants for rehab property through the Lansing Housing Coalition.

Mr. Curtis and Mr. Pollard appeared before the Committee and provided some background information on the concerns of code violations.

Ms. Boone submitted a memo explaining the complaints and whether or not the issue has been resolved or if still needs attention. She recommended creating a work order and taking bids to complete the renovations. They do recommend that the siding be replaced. This will be assisted with CDBG money, and the goal is to get complete restitution.

The agreement offered by the City is to repair the following listed: Roof Vents installed, reside exterior, repair front porch, repair concrete at sidewalk/driveway, install drip edge ad flashing, and re-fit basement steel posts and repair stairway.

The Committee requested Ms. Boone investigate the issue as to whether this is an isolated issue or if it occurs with rehab housing in general for a later discussion.

Ms. Boone is to report to the Committee after she meets with the Curtis's and Housing Coalition to review the plan.

#### **OTHER**

None.

#### **ADJOURN**

The Committee meeting was adjourned at 12:01 p.m.

Submitted by,

Tercse Horn

Administrative Secretary

Lansing City council

Approved by Committee

7-6-05

Supporting Documentation Attached.



**MINUTES**  
**Committee on Development and Planning**  
**Tenth Floor Conference Room**  
**Thursday, April 20, 2005 – 10:00 a.m.**

**CALL TO ORDER**

The meeting was called to order at 10:05 a.m. by Councilmember Bauer

**COMMITTEE MEMBERS PRESENT**

Councilmember Joan Bauer, Chair  
Councilmember Sandy Allen, Vice Chair - excused absence  
Councilmember Geneva Smith, Member

**OTHERS PRESENT**

Don Hough, BRD Printing  
Mike Sebastian, Citizen  
Hicham Jadaou, Edgewood development  
David Sheets, Cadillac Club  
Christine Timmon, Citizen  
Marchelle Smith, Lansing EDC  
Karl Dorshimer, Lansing EDC  
Mark Canady, ACI  
Jim Vander Galien, ACI  
Brian Shumway, Somerset  
Richard Pennings, Somerset  
David Ferguson, On the Grand Condominiums  
Denise Paquette, Habitat for Humanity  
Sue Stachowiak, Planning  
Roger Newcomb, Edgewood Villas

John Pollard, Citizen  
Darnell Oldham, Citizen  
Bill Rieske, Planning  
Jim Ruff, Planning  
Tina Gallante, Council Staff

### **PUBLIC COMMENT**

Ms. Timmons spoke with regard to several items on the agenda.

Mr. Oldham spoke with regard to developments that are approved and would urge that as part of those projects, sidewalks installation be included. He also spoke on retail sale and sending a bad signal to the community in regard to what type of businesses go in the retail centers. He does favor the Somerset PILOT.

### **APPROVAL OF MINUTES**

COUNCILMEMBER SMITH MOVED TO APPROVE THE MINTUES OF THE APRIL 11, 2005, MEETING AS SUBMITTED. MOTION CARRIED UNANIMOUSLY.

### **ACTION/DISCUSSION**

#### **Set Public Hearing for IDD Printing**

Mr. Dorshimer reported on the request from BRD Printing, Inc. located at 912 West St. Joseph Avenue to create an Industrial Development District

Currently BRD is in a Renaissance Zone which will be phased out by next year. This abatement would not benefit him for the first two years. The third year the abatement becomes to better incentive. Mr. Dorshimer reported currently BRD has 24 employees, and after the project is complete it is estimated he will have 45 to 50 employees. He reviewed the workforce utilization report contained within the packet as requested by Councilmember Smith.

Mr. Dorshimer reported on BRD's existing personal and real property in the RZ, which is worth approximately \$850,000 in tax value, they will pay 25 percent of property taxes in 2006, 50 percent in 2007, and 75 percent in

2008, and 100 percent in 2009. This will be a new source of revenue for the City. The tax abatement, if granted, would only abate taxes on the new improvements to the building and new equipment. These new improvements and equipment will have a tax value of approximately \$500,000. In 2006, BRD would pay 25 percent of the taxes on these new items. In 2007, they would pay 50 percent and then 50 percent for the remainder of the tax abatement period.

BRD will be gradually paying more taxes on their existing real and personal property as the RZ benefits phase out.

Mr. Hough commented that purchased Delta Printing and took on 18 of those employees.

Councilmember Bauer questioned why we should grant this IDD, how will it benefit the City? Mr. Dorshimer responded this is a highly competitive industry and the owner has been successful and the Renaissance Zone has made the difference and remained in the community. This cushions the blow because the Renaissance Zone phases out. By stretching out the benefit, even though it will not be as beneficial as the Renaissance Zone, it will assist the company greatly.

Councilmember Bauer requested some numbers.

Mr. Hough stated if he is to continue to grow and survive and make these investments with the high tech equipment, this IDD will be a great benefit. If the business continues at this pace, they must put an addition on. He would have to move to a more adventitious position, and is not sure it would be in the City of Lansing or not. He has been in this business for 26 years and it has always been in the City of Lansing.

COUNCILMEMBER SMITH MOVED TO APPRPOVE TO SET A PUBLIC HEARING FOR THE CREATION OF THE IDD AS DESCRIBED FOR MAY 16, 2005. MOTION CARRIED UNANIMOUSLY.

**Ordinance Amendment for the Establishment of the Arbaugh Building Historic District at 401 South Washington**

COUNCILMEMBER SMITH MOVED TO APPROVE PASSAGE OF THE ORDINANCE AMENDMENT. MOTION CARRIED UNANIMOUSLY.

**Ordinance Amendment for the Establishment of the Mutual Building Historic District at 208 North Capitol**

COUNCILMEMBER SMITH MOVED TO APPROVE PASSAGE OF THE ORDINANCE AMENDMENT. MOTION CARRIED UNANIMOUSLY.

**NEZ Applications for On The Grand Condos Phase II and III**

Ms. Smith spoke on the establishment of this NEZ in 1997 for the Phase I project. Phase I consisted of 20 units which have been completed. On April 5, 2005, 20 applications were filed with the City of Lansing for new construction of condominium units.

Mr. D. Ferguson reported the area has developed and the marketing conditions are improving enough where he believes the additional condominiums could be sustained. The units will be sold from \$135,000 to \$165,000 and that is what the market is selling for. That is the average range of the first phase. He indicated that he would like to begin construction this year and will proceed as quickly as possible, he has retained Briarwood Realty to assist in the marketing the of the units.

This resolution is for approval of the 20 applications for the home-owner occupied units.

COUNCILMEMBER SMITH MOVED TO APPROVE THE RESOLUTION AUTHORIZING PHASE II AND PHASE III OF ON THE GRAND CONDOMINIUMS. MOTION CARRIED UNANIMOUSLY.

**Z-1-05 – Southeast Corner of Turner and West Gier Streets**

COUNCILMEMBER SMITH MOVED TO CONCUR IN THE PLANNING BOARD'S RECOMMENDATION AND APPROVE THE REZONING REQUEST. MOTION CARRIED UNANIMOUSLY.

**SLU-8-05 – Planned Neighborhood Convenience Retail Center**

Ms. Stachowiak reported on the request by Mr. Jadaoun for a special land use permit to construct a Planned Neighborhood Convenience Retail Center to construct a 25,200 square foot building that would include various retail, office and service uses. The property is currently zoned "D-1" Professional Office District which permits planned neighborhood convenience retail centers. It is intended to have the type of uses to serve the immediate

neighborhood. There were not any comments on this at the planning board level. The Planning Board approved the request on a split vote. The two members were concerned with the type of businesses and that it could be predatory in nature. The other four members voted in favor because there are not any other uses like those intending to be placed in the project, within this area. The four members thought this would benefit the neighborhood. One of the conditions is that the developer provides pedestrian linkages from all sides. This is the only use in the zoning ordinance that the site plan review is not administrative. The Planning Board has already commented they will have another review in the future, dependent upon Council's action.

Councilmember Bauer voiced her concern on a possible liquor store going in this establishment.

Mr. Canady reported a liquor store cannot go in this retail center without Council approval. He is not sure about the check cashing center. They already have a Dollar General agreement and will employ over 100 employees within the 14 separate stores, generating estate tax revenue of nearly \$50,000 which does not include personal property.

Councilmember Bauer brought up the sidewalk issue. Mr. Canady responded that is a condition that has already been brought up.

Councilmember Smith agreed that sidewalks should be part of a developer's responsibility and the City and department should be looking at that from this point on.

Mr. Ruff reported sidewalks are generally an important question. There are times when the City requires sidewalks when the area is not in a pedestrian area. But in this case it is a neighborhood convenience center and so it is important to ensure that the pedestrian patterns are being created and also work with the current patterns. In the site plan for this, they address on how people get from this facility to another facility, for example.

Mr. Pollard spoke on the pedestrian passages and indicated that a skywalk is going to be needed in this area and that is the City's responsibility. He is not convinced there will be that many jobs being provided, but he is most concerned about the safety.

Mr. Oldham spoke on the traffic patterns in this area and urged the Committee to not endanger the citizens of this area by putting in a gas station.

Ms. Timmons spoke in support of this project.

Councilmember Bauer commented she is going to place this matter on pending until next Wednesday, April 27, 2005. This will allow Councilmember Allen to rejoin the meeting as well as allowing her time to walk this area herself with Mr. Jadaoun.

**Consideration of Resolutions Authorizing the Administration to Proceed with Closings on the Properties for Sale on Riddle Street and Kingsley Court**

Ms. Moore reviewed the three resolutions for the sale and closings of the properties along Kingsley Court and Riddle Street. The sale for these lots was approved by City Council Resolution on October 27, 2003. One lot is being sold for \$3,000 and the other two is \$6.00 each with \$14.00 for closing costs.

COUNCILMEMBER SMITH MOVED TO APPROVE THE SALE OF THE THREE PROPERTIES AS DESCRIBED. MOTION CARRIED UNANIMOUSLY.

**OTHER**

Mr. Ruff reported on ACT-1-05 for 1115 South Washington which is a request from Mr. Dave Sheets for outdoor seating in the right of way in front of the restaurant of the Cadillac Club. The proposed outdoor seating will accommodate 8 tables. The Planning Board unanimously recommended approval of the request. They are asking this matter be approved on a fast track and would like to have it up and running by May 13 for the Michigan Parade. He appreciates the Committee expediting the matter as he was unable to get it generated last week.

COUNCILMEMBER SMITH MOVED TO CONCUR IN THE PLANNING BOARD'S RECOMMENDATION AND APPROVE THE REQUEST FOR OUTDOOR SEATING.

Mr. Oldham spoke in favor of the request.

ON MOTION. MOTION CARRIED UNANIMOUSLY

**Consideration of Somerset Apartment PILOT**

Mr. Ruff spoke on summary submitted Monday evening.

Mr. Roberts stated it is anticipated this will extend the existing PILOT and understands the purpose of this is in part is that the existing Section 8 subsidies are running out. They are in the processing of signing new Section 8 contracts which include primarily elderly and low income. Consistent with what the City did initially in the past is if it is a Section 8 then they look to do a 4 percent PILOT. That is a payment based on what the actual rents are a quarter to a third of what the taxes usually are.

Mr. Ruff reported the Assessors Office has reported 26 percent.

Mr. Roberts continued that if it is a Section 8, the ordinance allows for four percent. If during the 35 year period that it is no longer Section 8, the amount the City will collect will be more than 4 percent, because it will be four percent of the rent collected. Mr. Pennings and him have worked on consistent language and sufficient for their purposes as well as the City. He believes the strength of this ordinance is that it will continue as Section 8.

Mr. Penning thanked the committee and public's support. They are an affording housing developer and have always preferred Section 8. It is their intention to keep the project for a very long time.

Mr. Roberts commented if Somerset does not go forward on this and does not get recertification, the ordinance will not take affect and the existing PILOT would remain in effect through 2020. They are interested if someone would give this immediate effect due to the time frame they are working with HUD. The other commitment the City is making is making affordable housing available for the elderly.

Mr. Oldham questioned the last time the building has been inspected and how is the maintenance of the building? Mr. Penning responded that every year HUD performs a maintenance review and every year they receive a score. They also, either every five or ten years, perform a study on long terms needs and based on that, HUD reviews and allows for improvements.

Mr. Ruff also commented that apartment complex, to his understanding, is inspected every two years with police, fire, and code compliance signing off on it.

### **Request for 10% PILOT for 1010 West Edgewood Boulevard**

Mr. Ruff reported this PILOT does have a sidewalk that goes from the driveway to the property line and a complete sidewalk network plan was performed. The PILOT is for this Phase II Section. Phase I is a separate developer and was recently built and completed. He discussed the more recent requests for 10 percent PILOTS with MSHDA. If Edgewood meets

certain qualifications with HUD, the Assessor will process the bill payment and the development will receive the tax PILOT.

Councilmember Bauer questioned the concern from Diane Lee from the Assessor's Office that granting non-subsidized apartments a PILOT may set a dangerous precedent that anyone owning apartment complexes and making the request would have to be granted approval of the same PILOT benefit. What if the Council votes no on this request?

Mr. Ruff reported they are operating on a construction mortgage. It is his understanding there are a number of parties that need to put into this for the plan that their finance people have to keep from foreclosure. If the City does not approve it they have to come up with another plan, which could include foreclosure. In the policy there it includes that new construction will not get anything less than a 10 percent PILOT and there are at least two other developments have a 10 percent PILOT on the south side.

Councilmember Bauer commented she is concerned that this request is not what PILOTS were intended for; for a business that is having financial hardship. She is not convinced at this time of this request.

Mr. Newcomb stated this project does qualify as a subsidized project for low income and subsidized housing. He went on to state they are not asking for a 10 percent PILOT because they are automatic and because the project qualifies for the State and City laws, they can qualify for it. The issue is that the developers are operating on a construction mortgage and unable to close on a loan because the PILOT is not solid or guaranteed and that is the reason for the request of the ordinance. The ordinance creates a contract between the City, State and housing developer which states the City will not rescind the contract. He does not believe the City has any intention to opt out of the PILOT project. The possible consequences of this not happening is the development going under and being foreclosed upon by the construction mortgage company and probably cease to be affordable housing.

Mr. Ruff responded this development is subsidized through tax credits and the application did not have explanation with it.

Councilmember Bauer requested a copy of the policy stated in 2003 and any other documents that could be necessary for a bigger discussion.

COUNCILMEMBER SMITH MOVED TO INTRODUCE AN ORDINANCE AND SET A PUBLIC HEARING FOR MAY 9, 2005. MOTION CARRIED UNANIMOUSLY.

**OTHER**

Mr. Pollard spoke in regard to the Curtis property from 2004.

**ADJOURN**

The meeting was adjourned at 12:20 p.m.

Submitted by,

Tina Gallante  
Senior Legislative Assistant  
Lansing City Council

Approved by the Committee on

4-27-05

Supporting Documentation Attached.



**MINUTES**  
**Committee on Development and Planning**  
**Wednesday, April 6, 2005 – 1:00 p.m.**  
**Tenth Floor Conference Room – Lansing City Hall**

**CALL TO ORDER**

**The Meeting was Called to Order at 1:10 p.m.**

**COMMITTEE MEMBERS PRESENT**

Councilmember Joan Bauer, Chair  
Councilmember Sandy Allen, Vice Chair  
Councilmember Geneva Smith, Member

**OTHERS PRESENT**

Jack Roberts, Law Department  
Terese Horn, Council Staff  
Roger Newcomb, Edgewood Villas  
Tracy Carney Miller, EDC  
Gene Townsend, Citizen  
Jim Ruff, PND  
David Berridge, Public Service Dept.  
John Pollard, Citizen

**Approval of Minutes**

No Minutes were submitted.

**Public Comment**

No Comment was taken at this time.

## **ACTION/DISCUSSION**

### **ACT-19-04 St. Joseph St. Between**

Mr. Ruff informed the Committee that they are looking at closing the street and assigning it to the Transportation and Parking office and the City would still own it and maintain it. They would be vacating dedicating the right-of-way. If this would be dedicated to the State, they would have to turn it around and sell it to Kerr House. The Public Services Department and Transportation office will be working on a landscaping plan. There would be concessions that would have been required by the State.

The Committee was requested to pull this item and meet on it next week. The Committee decided to meet at 6 p.m. on Monday, April 11<sup>th</sup>. Staff is to have this item on the overview and Council agenda.

### **Danzo's Building OPRA Certificate**

Ms. Traci Carney Miller appeared before the Committee to explain the OPRA certificate being the second step of the process. The public hearing was held Monday. The last step is the tax abatement certificate. She distributed an analysis of the Building Redevelopment Project. The frozen value is of the building only not the land. For purposes of millage, the tax is not frozen. Another handout demonstrated the cash flow. On page II illustrated the modified cash flow without OPRA benefits and third page is with the OPRA benefit. The important analysis is of the Bank Debt Coverage Ratio. The developer would start paying in the second year on the benefit that he would get from the OPRA. These documents indicate that the developer does need the OPRA certificate for the development. This is for a 12 year period for the tax abatement.

Ms. Carney Miller stated that there will be double the amount of tax but the City will give up 50% on the OPRA. The difference in the taxable value without OPRA and with OPRA is about \$300,000 less than what we would have gotten if the City did not grant a tax abatement. However, if there was not a project at all, the City would lose approximately \$3,000 each year.

Mr. Pollard questioned why the City would grant 12 years instead of 5 years. Ms. Carney Miller responded that she does not remember ever granting an OPRA for just 5 years. The other aspect of this is that the State of Michigan could rebate 3% back.

**COUNCILMEMBER SMITH MADE A MOTION TO GRANT THE OPRA CERTIFICATE FOR DANZO'S BUILDING, 1131-1133 SOUTH WASHINGTON AVENUE. MOTION CARRIED UNANIMOUSLY.**

**Presentation for a PILOT Request for Edgewood Villas, LTD, Located at 1010 W. Edgewood Blvd.**

Mr. Ruff reported on the situation and the concern from the State concern about a diverse effect if the 10% PILOT ordinance was dropped. However, PND does not believe that this would affect any previous PILOT but only the future 10% PILOTs. When the 10% PILOT Ordinance was passed, there were criteria that were developed for those under the 10%. This request was prior to the policy developed. Mr. Ruff stated that this PILOT is dependent upon a number of things. This is for information and not for action at this time. He is trying to bring forth as much information as possible before requesting Council's consideration.

Mr. Ruff provided a better understanding of the project, 1010 W. Edgewood Blvd. The project is 99% complete. It is a low income tax project. The project was estimated to cost \$11,000,000 instead of the actual cost of \$14,000,000. What they are asking for is an ordinance granting a 10% PILOT as in accordance to the ordinance because it is being demanded by the mortgage, and they will not close until the PILOT is granted. He explained that the way they got into the situation with the mortgage company was due to a situation with a builder. The developer did not intend on asking for a PILOT but it is now necessary because of being \$3,000,000 short and the need to have an ordinance before the Mortgage Company prior to approval.

The buildings were started last year and are being finish this year. Phase one is all done. Phase II was done with a PRD last year. They only have landscaping still to do. The proposal is not for the 10% PILOT, is it for the ordinance. The bank requires that they come to the City to solidify the PILOT by an ordinance.

Mr. Ruff stated that he has met with MISDA and Jack Roberts on this ordinance to evaluate if there needs to be an ordinance amendment. If there were an amendment, they would like to find out how it would not affect this PILOT.

The City either is to comply on the State's basis and receive PILOTs and be involved in the program or the City can op-out and not be involved with PILOTs at all. Mr. Newcomb clarified again that the request is not for the 10% PILOT but is for the ordinance that is required by the mortgage company.

Mr. Ruff stated they are having a on-going discussion with MISDA and Law, and about this project. He stated the problem is that MISDA feels that the ordinance does not have language that would protect them. They are working on this and then they will make a recommendation and submit it to the Mayor which in turn will be forwarded to the Committee.

**Receipt of letters to Congressman Rogers and Senators Levin and Stabenow in support of Community Development Block Grant Funding**

- Letter from Eastside Neighborhood organization
- Bingham Community

RECEIVED AND PLACED ON FILE.

**OTHER**

None.

**ADJOURN**

The Committee meeting was adjourned at 11:24 p.m.

Submitted by,

Terese Horn

Administrative Secretary

Lansing City council

Approved by Committee

2-6-05

Supporting Documentation Attached.



**MINUTES**  
**Committee on Development and Planning**  
**Tenth Floor Conference Room**  
**Monday, February 21, 2005 – 10:00 a.m.**

**CALL TO ORDER**

The meeting was called to order at 10:00 a.m.

**COMMITTEE MEMBERS PRESENT**

Councilmember Joan Bauer, Chair  
Councilmember Sandy Allen, Vice Chair  
Councilmember Geneva Smith, Member

**OTHERS PRESENT**

Susan Stachowiak, Planning Department  
Margo Vroman, Law Department  
John Pollard, Citizen  
Harold King, Citizen  
Margo Vroman, Law Department  
Eric Hewitt, Northtown  
Lori Rutter, Northtown  
Shirley Averill, Northtown  
Jeff Cornell, Northtown  
Jim Ruff, Planning and Neighborhood Development Director  
Ron Wilson, Council Staff  
Tina Gallante, Council Staff

it was done it would be done with sensitivity to the neighborhood. It is a permitted use of the zoning at this time, but wants to make his property a benefit to the neighborhood.

Mr. Wilson commented he spoke both to Mr. Powers and Mr. Hoateling, who expressed support for the project, with some concern relative to parking.

Ms. Carney-Miller responded to Councilmember Allen's concern that any Brownfield plan in the City that has been done has been extremely expensive. The vast majority of the projects have gone through, but there has been some that just can not get off the ground. They want the property to be developed, but approving a Brownfield plan does not cause the City anything and not approving a use that could be transferred.

Councilmember Bauer commented she did speak to Councilmember Leeman.

Councilmember Smith questioned the parking issue. Ms. Carney-Miller stated the design of the parking function is part of the site plan review with the Planning Department but based on the developer's estimate, there would be the potential for concrete and sidewalk construction is approximately \$15,000, which usually covers parking. Ms. Stachowiak reported based on this storage use, they should not have much parking.

Mr. Hewitt, speaking on behalf of the North Lansing Neighborhood Association, commented on his concern and wanted assurance there would be no outdoor storage. He has a homeowner will not support that. They have worked hard to cut the crime in the area and property values have gone up because of that. The neighborhood also has concern that the amount of screening done will still not be sufficient. The crime rate has dropped in that area and this will be an attractive nuisance for kids in the neighborhood who are looking for a place to hang out. He would also suggest there be some assurance on if the property is sold or changes hands.

Mr. Hewitt commented he is happy with the interior prospect for this property that is not the neighborhood's issue, but rather the outdoor use.

Mr. King provided history on the property.

Mr. Pollard provided history on the property and is concerned that this is a prime industrial site. He does not think this is the site for this project.

Ms. Carney-Miller reported she can more than guess this project will not happen without the Brownfield.

It was determined that if outdoor storage was ever going to be pursued, that it would have to come back to the City Council for a Special Land Use permit.

Ms. Carney-Miller spoke on the taxable amount and when it will be available. A conservative estimate is that 30 percent will be allowed for taxable value. The Committee reviewed the charge on estimates.

Mr. Ruff reported the H Light Industrial District would allow outdoor storage of other material, such as building lumber. Additional, if it was an industrial building facility, they could store trucks and large equipment.

Mr. Hewitt commented when these businesses were first built, the residential community was very different and there were actual homes outside the gates. Now days, it is different and the communities care.

Mr. Ruff reported he will submit a letter with respect to the outdoor storage. Mr. Hewitt commented that the developer could attend the neighborhood meeting tomorrow night.

The Committee agreed to hold this item until it is placed on the Council Agenda for action. It was suggested to possibly meeting March 7, 2005, for final decision.

### **Establishment of OPRA District for 1131-1133 South Washington Avenue**

The public hearing was held last week on the property located at 1131-1133 South Washington. The tax abatement will enable the developer to invest approximately \$500,000.

COUNCILMEMBER ALLEN MOVED TO APPROVE THE DISTRICT AS DESCRIBED. MOTION CARRIED UNANIMOUSLY.

Mr. Pollard spoke on the numbers for the square footage costs.

### **Z-19-04 – 3831-3833 Moores River Drive**

Ms. Stachowiak reported on the request by Mr. Pearse to rezone the described property for the purpose to bring the use of the property as a duplex into compliance with the Zoning Ordinance. The Planning Board unanimously voted to deny the request. It is an existing duplex on a very large lot. The request made good sense with the use fitting in with the

neighborhood but the Planning Board had concern that this request would create spot zoning. Mr. Pearse can continue the use of the nonconforming.

Mr. Pollard spoke.

COUNCILMEMBER SMITH MOVED TO CONCUR IN THE MAYOR AND PLANNING BOARD'S RECOMMENDATION AND APPROVES THE DENIAL OF THE REQUEST. MOTION CARRIED UNANIMOUSLY.

Ms. Vroman reported spot zoning is bad and the City could be sued. There is no 'good guy' zoning.

### **Z-20-04 - Vacant Lot East of 701 Willoughby**

Ms. Stachowiak reported on the request from Mr. Conrad to rezone the vacant lot as described for the purpose to permit the construction of a duplex on the subject property. The Planning Board unanimously recommended to approve the request finding that the surrounding land uses and the future land use pattern is compatible and completely within the plans for the area. There have been no problems with this.

COUNCILMEMBER ALLEN MOVED TO CONCUR IN THE MAYOR AND PLANNING BOARD'S RECOMMENDATION AND APPROVES THE REZONING REQUEST AS SUBMITTED. MOTION CARRIED UNANIMOUSLY.

Mr. Pollard spoke and said there are no sidewalks in this area.

### **Discussion on PILOT for 1010 West Edgewood Boulevard**

Mr. Ruff reported this is a request for a PILOT. This is an existing, brand new built apartment complex on Edgewood, west of Washington. The PILOT policy was created and working fine for what it is envisioned for. A request such as this is for a property that is only requesting a 10 percent PILOT, but requesting an ordinance. The Council approved a \$1,500 fee per PILOT. They normally would be allowed a 10 percent PILOT without any action from Council. With some of the financing, those having the 10 percent financing are requesting an ordinance. He will not look at anything other than the 10 percent, but still requesting an ordinance to protect, as a third party, want the City tied in for financing guarantees. From his standpoint, he does not need to do a complete report as he normally does, as well as the Council not wanting to charge the full \$1,500. He is asking for clarification on how the Council would like him to proceed.

Councilmember Wood commented the whole argument for the 10 percent was the fact the Council did not have to take action. Now they are asking for an ordinance where it puts it out to the whole public and taking it through the practice. Maybe we need to go back and redo the criteria on the moratorium.

Ms. Vroman commented it does not matter legally, but rather a policy issue. He would defer to Mr. Ruff on whether it is a good or bad idea.

Past practice was that 10 percent did not meet Council approval as long as they met the criteria. MISHDA has asked and required in their agreements that they get a third party to provide another level of assurance.

Councilmember Allen commented she prefers to have the policy remain the same.

COUNCILMEMBER SMITH MOVED TO LEAVE IN PLACE THE PILOT POLICY AND FOR IT TO REMAIN THE SAME. MOTION CARRIED UNANIMOUSLY.

## **OTHER**

The Committee spoke on the article that was in the newspaper relative to the State property on Ottawa and Butler.

Mr. Ruff reported there is not even a bill in the legislature that they want to be getting rid of the property. There is a process that would have to be followed and there is a plan for this property. He sticks with the plan to have residential on this property. There is interest from Gene Townsend, Reverend Murphy, and Pat Gillespie. His preference is if the State wants the City involved, he will provide them assistance. There is nothing to question or answer on this matter.

## **ADJOURN**

The meeting was adjourned at 12:05 p.m.

Submitted by,

Tina Gallante  
Senior Legislative Assistant  
Lansing City council  
Approved by the Committee on

3-9-05

Supporting Documentation Attached.





**MICHIGAN  
HOUSING  
COUNCIL**



# AFFORDABLE HOUSING & PILOT

*Working Together to Build and  
Rehabilitate Affordable Housing*

*Submitted @ mtc*

**QUALITY AFFORDABLE HOUSING  
COMMUNITY PARTNERSHIPS  
ECONOMIC DEVELOPMENT & JOBS  
COMMUNITY REVITALIZATION  
SENIOR INDEPENDENT LIVING  
SPECIAL NEEDS APARTMENTS  
WORK FORCE HOUSING  
TRANSITIONAL HOUSING**



# This presentation is endorsed by:

Michigan State Housing Development Authority

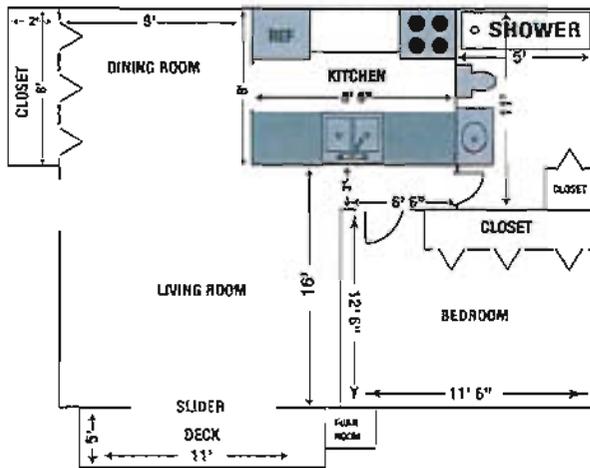
U.S. Dept. of Housing & Urban Development

Community Economic Development Association of Michigan

U.S. Dept. of Agriculture Rural Development

Michigan Housing Council

1 BEDROOM meadows



# Testimonial

*“Grand Rapids has taken a proactive approach in the development and preservation of affordable housing for low and moderate income residents. Our PILOT ordinance is an important tool to support projects that provide the community with needed workforce housing, while stimulating the revitalization of neighborhoods.”*

*George Heartwell  
Mayor  
City of Grand Rapids*



Photo courtesy of [grcity.us](http://grcity.us)



# Testimonial

*“We granted a PILOT for Sycamore House with the hope and expectation that the historic Durand high school could be preserved and saved. Our expectations were “more than exceeded”. Not only was it saved/preserved....it stimulated additional economic development in the area and Sycamore House has become a “show piece” in our community.*

*We have benefited tremendously!”*

*Amy J. Roddy  
City Manager  
City of Durand*



Photo courtesy of durandmi.com



# Michigan Housing Council Mission Statement



To promote the common interests of all MHC members in regards to the production, preservation, rehabilitation and management of affordable housing in Michigan. To improve resident services which enhance affordable housing communities and to promote professionalism among our members.



# Payment In Lieu of Taxes

- What is a PILOT?
- How does a PILOT work?
- How does a PILOT benefit the community?
- Why is a PILOT necessary for the development and preservation of affordable housing?



# What is a PILOT?

- An ordinance passed by a city or municipality enabling projects with certain kinds of financing to provide an alternative form of real estate tax payment...generally to support the development of affordable housing.
- A PILOT is applied to the qualified development – not to its ownership entity.



Clare Castle. Clare, Michigan



# How Does a PILOT Work?

- PILOT was created by Section 15a of the Michigan State Housing Development Authority (MSHDA) Act of 1996 (as amended).
- PILOT allows typical property taxes to be replaced by an alternative payment tied to the development's net rental income.
- PILOT calculation: (total rents collected minus the cost of utilities paid by the development) multiplied by a determined percentage rate (typically 4%).



Renaissance Village,  
Detroit, Michigan



# What is meant by “Affordable Rental Housing”?



Coastal Crossings, South Haven, Michigan

- According to HUD the generally accepted definition of affordability is for a household to pay no more than 30 percent of its annual income on housing.
- HUD determines maximum rents and maximum family income levels by county.
- Affordable housing is sometimes referred to as “Workforce Housing”.



# How Does a PILOT Benefit the Community?

## Those who live in affordable housing communities:

- Teachers
- Teachers Aids
- Nursing Assistants
- Medical Technicians
- Retail Workers
- Government Employees
- Bank Employees
- Hospital Support Staffs
- Emergency Service Providers
- Law Enforcement
- Entrepreneurs
- Licensed Practical Nurses
- Day Care Providers
- Retirees
- People with Disabilities



# PILOT Benefits: Economic Advantages of Newly Constructed Affordable Housing

- Generates additional taxes if the property had been vacant or underutilized
- Creates more disposable income in the area improving the local economy (jobs, goods & services)
- Creates on-going jobs (property managers, maintenance personnel, etc.)



# PILOT Benefits:

## Newly Constructed Housing Developments (continued)



- **Family Developments generate:**
  - More students (more state funding for local school district)
  - High quality, affordably priced workforce housing



- **Senior Developments generate:**
  - Opportunities for families to rent or buy the homes of seniors who move into new apartments (creating more state funding for the school district)



# PILOT Benefits: Economic Advantages of Rehabilitated Apartment Communities

- Improved quality of life for residents (health, safety, welfare)
- Improved affordability (lower utility costs due to physical improvements and installations of new, energy efficient appliances)



Silver Star Apartments (Phase I), Battle Creek, Michigan



# PILOT Benefits (continued)

## Economic Advantages of all Affordable Housing Communities being Constructed or Renovated

- Creates construction jobs for local contractors and laborers
- Increases local business revenue through purchase of construction materials and supplies
- Generates a ripple effect as physical improvements stimulate others to improve their properties in the surrounding area



Renaissance Village, Detroit, Michigan



# Community Economic Impacts Generated by a New 50 unit Multifamily Housing Development

Total Economic Impact: \$9.4 million

Jobs Supported: 115

Impact over the life of the mortgage and PILOT

Source: [WWW. Weareapartments.org](http://WWW.Weareapartments.org) – Sponsored by National Multi  
Housing Council and the National Apartment Association



# Community Economic Impacts Generated by the Rehabilitation of an Existing 50 Unit Apartment Community

Total Economic Impact: \$2.2 million

Jobs Supported: 55

Impact over the life of the mortgage and PILOT

Source: [WWW. Weareapartments.org](http://WWW.Weareapartments.org) – Sponsored by National Multi  
Housing Council and the National Apartment Association



# Why is a PILOT Necessary for the Development & Preservation of Affordable Housing?



Weston Apartments, Grand Rapids, Michigan

The predictability of future real estate taxes is a significant factor for lenders and equity investors who are asked to commit funds for a development. A PILOT provides predictability.



# Did You Know?

- An estimated 12 million renter and homeowner households now pay more than 50 percent of their annual income for housing.
- A family with one full-time worker earning the minimum wage cannot afford the local fair market rent for a 2-bedroom apartment anywhere in the United States.
- Taxes are typically the highest operational expense of an affordable rental housing community.



# Why a PILOT IS Needed

## Example based on an actual development which did **not** have a PILOT

EXAMPLE – WHY A PILOT IS NEEDED			
ACTUAL SITUATION (NO PILOT) – 50 APARTMENTS	Per Unit	Per Unit	50 Units
	Per Mo.	Per Year	Per Year
Allowable Avg. Rent	\$ 525	\$ 6,300	\$ 315,000
Less Vacancy @ 5%	\$ (26)	\$ (312)	\$ (15,600)
Minus Operating Costs (including common area utilities)	\$ (333)	\$ (3,996)	\$ (199,800)
Minus Loan Payment on \$1M mortgage (\$20K/unit)	\$ (140)	\$ (1,680)	\$ (84,000)
Minus Actual Property Taxes Imposed by Assessor	\$ (100)	\$ (1,200)	\$ (60,000)
Cash Flow (negative)	\$ (74)	\$ (888)	\$ (44,400)



# Example of PILOT Calculation

## 50 units – 4% PILOT

<b>4% PILOT Calculation for 50 Unit Development</b>	<b>Per Unit</b>	<b>Per Unit</b>	<b>50 Units</b>
	<b>Per Mo.</b>	<b>Per Year</b>	<b>Per Year</b>
Gross Potential Rent	\$ 525	\$ 6,300	\$315,000
Less Vacancy @ 5%	\$ (26)	\$ (312)	\$ (15,600)
Less Utilities Paid by Development			
Electricity	\$ (10)	\$ (120)	\$ (6,000)
Water & Sewer	\$ (25)	\$ (300)	\$ (15,000)
Heating Fuel	\$ (5)	\$ (60)	\$ (3,000)
Adjusted Rental Income	\$ 459	\$ (5,508)	\$ 275,400
PILOT Payment @ 4% rate	\$ 18	\$ 220	\$ 11,016



# Why A PILOT Is Needed

Same 50 Unit Development – With a 4% PILOT

EXAMPLE – WHY A PILOT IS NEEDED			
4% PILOT MAKES DEVELOPMENT FEASIBLE	Per Unit	Per Unit	50 Units
	Per Mo.	Per Year	Per Year
Rents	\$ 525	\$ 6,300	\$ 315,000
Less Vacancy @ 5%	\$ (26)	\$ (312)	\$ (15,600)
Minus Operating Costs (including common area utilities)	\$ (333)	\$ (3,996)	\$ (199,800)
Minus Loan Payment	\$ (140)	\$ (1,680)	\$ (84,000)
Minus 4% PILOT Payment	\$ (18)	\$ (220)	\$ (11,016)
<b>Cash Flow - Positive</b>	<b>\$ 8</b>	<b>\$ 92</b>	<b>\$ 4,584</b>



# Frequently Asked Questions

## How does a PILOT affect school funding?

Proposal A (1994) reduced the proportion of school funding provided by local property taxes and increased the proportion funded by the state. About 81% of school funding now comes from the state and federal government and only 19% comes from local taxes.

A PILOT will not harm funding for local schools. A PILOT can support workforce housing that increases school enrollment and revenue from the State (~\$7100 per pupil in 2014).



# Frequently Asked Questions

## What is the maximum term of PILOT?



Heron Manor, Grand Rapids, Michigan

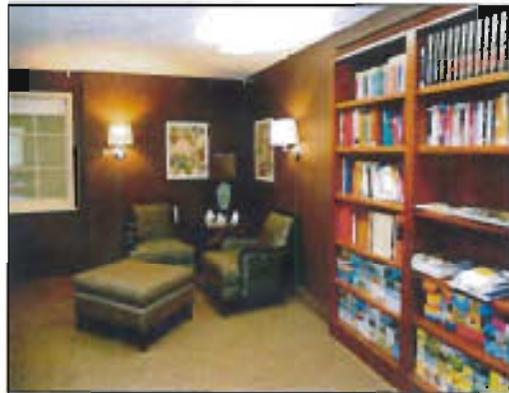
Generally, PILOT Ordinances provide for termination when the government assistance expires and the rent restrictions are lifted. MSHDA interprets the Act to state the term of the PILOT may not exceed 50 years.



# Frequently Asked Questions

If a development is mixed income (with both market rate and affordable units), how do we determine the PILOT?

Section 15a provides that anyone who is eligible to move into the development is by definition a “low income person.” [See Section 15a(7)]. The PILOT would be based upon all rents collected minus the development–paid utility costs.



# Frequently Asked Questions

## Do PILOT payments need to be redistributed to other local units of government?

According to the Act, PILOT payments are made directly to the tax collecting local government entity which then distributes the payments to the “several units levying the general property tax” in proportion to the percentage each unit would have received from real estate property taxes in the previous calendar year.



Nisbett-Fairman Residences, Big Rapids, Michigan



# Frequently Asked Questions

Can PILOT be instituted as an ordinance by any size municipality (village, township, etc.)?

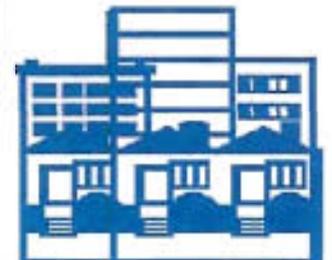
Absolutely!



Ashley Square, Kalamazoo, Michigan



Lockwood of Burton, Burton, Michigan



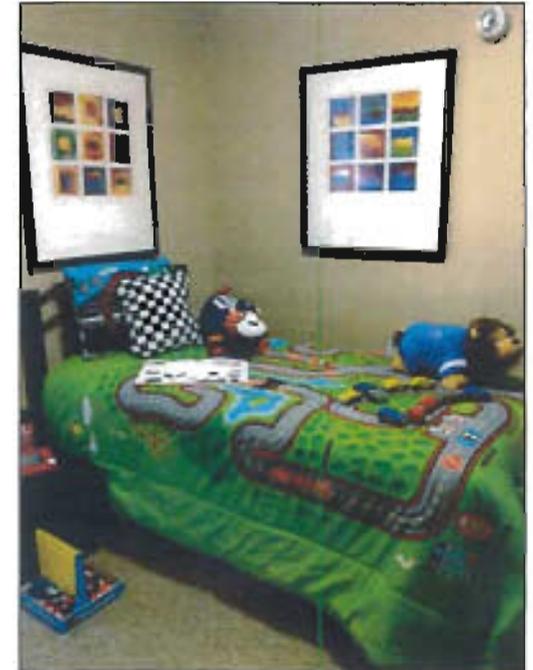
# Requirements for Project Eligibility

- An affordable housing community must serve low-income persons as defined by MSHDA.
- It must have a “federally aided” or “Authority-aided” mortgage as defined in Section 11 of the Act. A project with a mortgage that receives Housing Tax Credits is included.
- It must be owned by a Limited Dividend Housing Association which may be a corporation, a partnership, a limited partnership, a limited liability company, a consumer housing cooperative or a non-profit housing corporation.



# PILOT Ordinance Requirements

- For MSHDA's Direct Loans the PILOT must remain in effect for the term of the mortgage (35 years).
- The PILOT must be in a form acceptable to MSHDA. A draft Ordinance is available upon request.



Renaissance Village, Detroit, Michigan



Renaissance Village, Detroit, Michigan



# More About MSHDA



Since 1970, MSHDA has financed more than 400 multifamily housing developments throughout the state. It sells bonds to investors to generate capital for loans to developers of affordable housing. A list of MSHDA–financed developments (with locations and phone numbers) is available at:

[www.michiganhousinglocator.com](http://www.michiganhousinglocator.com)



## ABOUT US



Cinnaire is a full-service community development financial partner that supports community stabilization and economic development by developing and nurturing partnerships with investors and mission-focused organizations. We provide creative loans, investments, and best-in-class services to partners. Our commitment to building exceptional communities drives our team to provide advanced investment opportunities to investors balanced with a conservative approach to the bottom-line.



### CINNAIRE LENDING

Cinnaire Lending is a certified Community Development Financial Institution (CDFI) that provides innovative lending options to support housing and community development work. Cinnaire's approach is founded on developing and nurturing partnerships with investors and mission-focused organizations to achieve a collective impact. **We provide creative loans, investments, and best-in-class services to our various partners.** Cinnaire Lending has provided 280 community development loans totaling over \$330 million for a variety of uses including multifamily affordable housing, community facilities and neighborhood revitalization loans for partners whose work complements Cinnaire's.

Our comprehensive lending options support your community development project throughout the development's life cycle. Our products include:

- Pre-Development Loans
- Acquisition Financing
- Permanent Financing (Conventional and FHA)
- Refinancing and Mini perm Loans
- Bridge Financing

### CINNAIRE INVESTING

Investors have the opportunity to benefit from LIHTC investments. Investments are made through limited partnerships or limited liability companies. Investors can earn a solid economic return on their capital. This is where the Cinnaire team can step in and make a difference.

LIHTC funds managed by Cinnaire help investors minimize the risk of investing. Cinnaire provides multiple services including underwriting, investment management, asset management and compliance.

The benefit to investors is that they claim a federal tax credit that is earned over a 15-year period, but is claimed over an accelerated 10-year time frame, beginning when the property is placed in service and occupied. Property owners also benefit from tax losses generated by the properties, which provide for additional tax benefits, further reducing an investor's federal tax liability.

Nationally, of all real estate classes, this program has minimal loss related to foreclosure. Investments made through a syndicator fund allow for asset and geographic diversification, compliance monitoring, and investment screening. By working with the Cinnaire team to maximize the benefits of the LIHTCs, Investors will realize good economic return through tax credits and tax deductions and good social return on investment in affordable housing.

CINNAIRE INVESTING *continued*

Cinnaire cares about the communities our investments back, and the value we deliver to investors. Our team's expertise and attention to detail allows us to build a community of loyal and steady investors. We offer proprietary and multi-investor fund-based investment opportunities backed with this same level of expertise.

To maximize fund investment opportunities, Cinnaire focuses on a full-service approach to our clients from start to close of a deal. The Cinnaire team works with each investor to match the investor's goals while providing the desired community benefits. **We are creative in our approach, but conservative.** This is why we have been able to foster relationships with steady, loyal investors across the country.



### CINNAIRE DEVELOPMENT

Cinnaire Development is a full-service financial partner that supports community and economic development initiatives through creative commercial real estate Funds and serving as master developer. These Funds offer loans, investments and best-in-class services for commercial real estate activities, including traditional commercial real estate asset classes, mixed-used development and market rate housing. Fund products include senior, bridge, and mezzanine loans and equity investments. We match exceptional community investment opportunities with community-focused investors, providing market rates of return and positive social impacts, including potential Community Reinvestment Act consideration.



### TITLE SERVICES

Cinnaire Title Services is a full-service Title Insurance Agency, that provide best in class services to our clients. We are dedicated to fulfilling the title and escrow needs of our tax credit, residential and commercial clients. The agency is built on two fundamental principles: **Personalized Service and Trusted Expertise.**

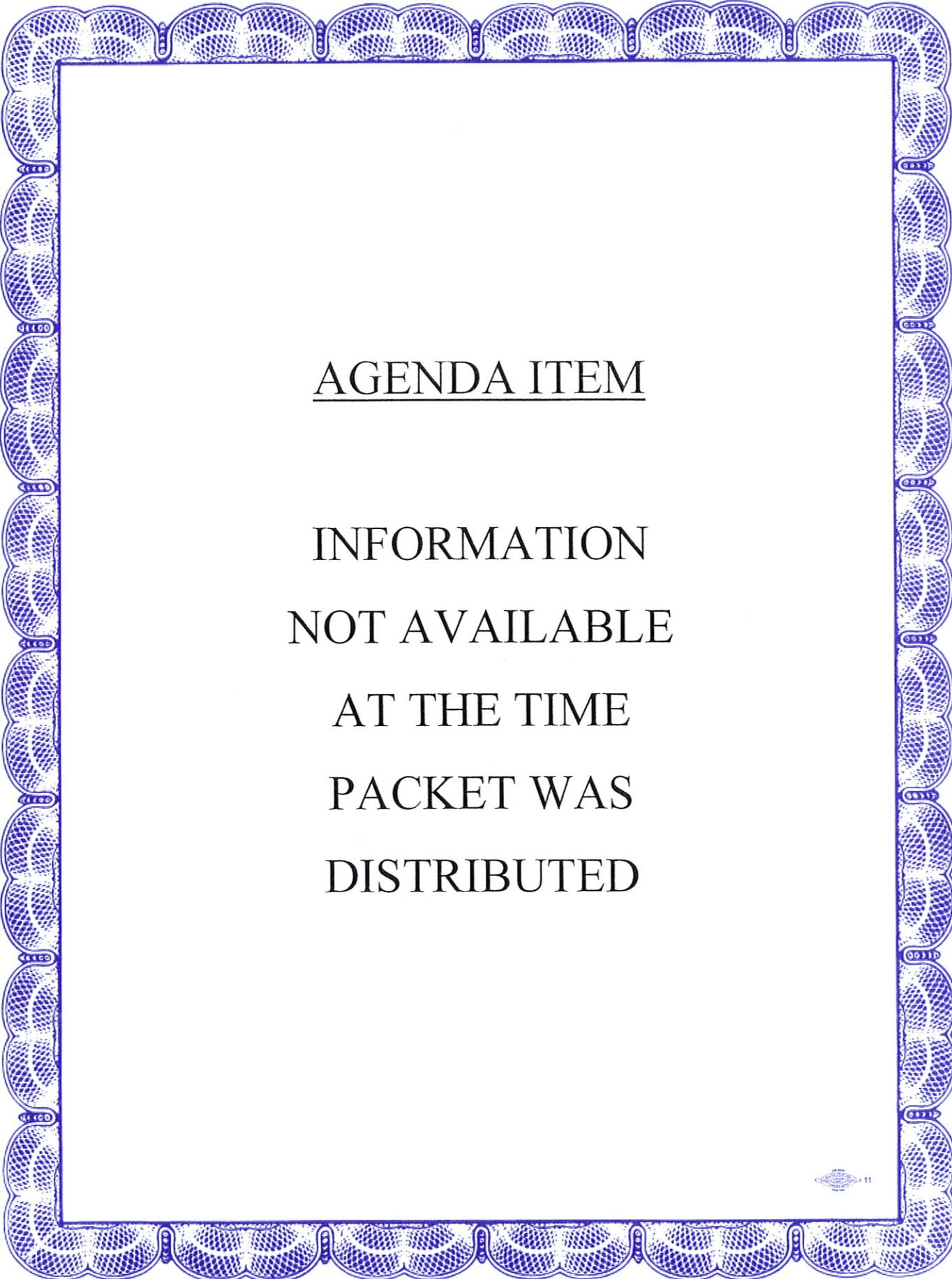
We understand that personalized service in the title industry sets a company apart. Therefore, we offer the following to our clients:

- Title insurance services throughout our footprint
- Proactive assistance in resolving title issues
- Personal attendance at closings
- Full escrow services

### Timely Delivery of:

- Commitments
- Policies
- Construction draws
- Endorsements
- Hand delivery of recordings
- 1031 exchange coordinating
- Multi-state project coordinating

With the expertise and proven experience of our team, Cinnaire Title offers competitive pricing, exceptional service and easily accessible points of contact. Cinnaire Title is underwritten by Old Republic National Title Insurance Company, a well-respected financial institution. This valuable relationship offers an extensive network of information and products, and assures that you and your policy are backed by strong financial stability.



AGENDA ITEM

INFORMATION  
NOT AVAILABLE  
AT THE TIME  
PACKET WAS  
DISTRIBUTED