



MINUTES
Committee on Development and Planning
Tuesday, November 17, 2020 @ 3:30 p.m.

<https://us02web.zoom.us/j/87257635748> ; ID: 872 57635748 Dial In: (312) 626-6799

Held virtually in an effort to protect the health and safety of the public & to mitigate the spread of COVID 19

CALL TO ORDER

Council Member Spitzley called the meeting to order at 3:00 p.m.

PRESENT via audio/video

Council Member Spitzley, Chair remotely from Lansing, Michigan

Council Member Garza, Vice-Chair remotely from Lansing, Michigan

Council Member Betz, Member remotely from Lansing, Michigan

Council Member Hussain, Member remotely from Lansing, Michigan-arrived at 3:06 p.m.

OTHERS PRESENT via audio/video

Sherrie Boak, Council Staff

Mikki Droste, CAHP

Brian McGrain, EDP Director

Susan Stachowiak, EDP

Rawley Van Fossen, CAHP

Thomas Lapka, CAHP

Price Dobernack

Kirstie Hardy, Detroit Rising

Jon Hartzell, Detroit Rising

Karl Dorshimer, LEDC

Kris Klein, LEDC

Hannah Bryant, LEDC

Don Kulhanek, EDP

Rick Stanza, Detroit Rising

Lisa Hagen, OCA

Greg Venker, OCA

PUBLIC COMMENT

Mr. Dobernack spoke on the proposed former City Market project. He noted he has been in ongoing conversations with the developers, and the Plumbers and Pipefitters Union has asked for information and a list of local contractors. Mr. Dobernack confirmed the information was provided however he was asking the Committee to table the project at this time.

MINUTES

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE MINUTES FROM NOVEMBER 3, 2020 AS PRESENTED. ROLL CALL VOTE, MOTION CARRIED 3-0.

Discussion/Action

RESOLUTION – Reappointment; Jonathon Lun; Michigan Avenue Corridor Improvement Authority

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE REAPPOINTMENT OF JONATHON LUN TO THE MICHIGAN AVENUE CORRIDOR IMPROVEMENT AUTHORITY. ROLL CALL VOTE, MOTION CARRIED 4-0.

RESOLUTION – Introduction and Setting of Public Hearing; Ordinance Amendment Chapter 1279, Appendix D; Expand W Saginaw Corridor Overlay District

Ms. Stachowiak noted this was a request to amend the overlay district, to include the property known as the St. Lawrence/Sparrow Campus, including the multi-story office building on the corner. It was stated it should have been included originally, but was overlooked. There has been some discussion on redevelopment on this site, and staff would support that. Lastly, it was noted the Planning Board supported amendment.

Council Member Spitzley asked when the Planning Board met, and was told 11/4/2020. Council Member Spitzley then asked if there were any development plans at this time, and Ms. Stachowiak confirmed they do not have anything yet.

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE RESOLUTION FOR THE INTRODUCTION AND SETTING OF PUBLIC HEARING FOR CHAPTER 1279 APPENDIX D FOR JANUARY 11, 2021. ROLL CALL VOTE, MOTION CARRIED 4-0.

RESOLUTION – Introduction and Setting of Public Hearing; Z-4-2020 Rezoning 220 N Pennsylvania from C Residential to DM-4 Residential District

Ms. Stachowiak explained to the Committee that Sparrow has purchased the property formally known as Easter High School, will continue to stay at their location, and intend to expand in the future. The reason for DM-4 is because it is the appropriate zoning for hospitals. Council Member Garza asked if the property was going to be used for a new tower expansion, and was told that was the expectation. Council Member Spitzley asked if they were going to demolish Eastern High School, and Ms. Stachowiak noted they have not applied for demolition at this time, but it would be costly to bring it up to code. Council Member Hussain recalled in the past there was some historical covenants. Council Member Spitzley asked Ms. Stachowiak to find out any specifics on that by the 11/30/2020 City Council meeting. Mr. McGrain stated they will not be demolishing the main building and but incorporating into their future plans but other buildings on the property may be demolished.

MOTION BY COUNCIL MEMBER BETZ TO APPROVE THE RESOLUTION FOR THE INTRODUCTION AND SETTING OF PUBLIC HEARING FOR Z-4-2020 REZONING FOR JANUARY 11, 2021. ROLL CALL VOTE, MOTION CARRIED 4-0.

RESOLUTION – Introduction and Setting of Public Hearing; Z-5-2020 Rezoning NW Corner of E Miller and Orchard Court from F Commercial to DM-3 Residential

Ms. Stachowiak stated the applicant is interested in building apartments on the property, and this location is at the end of the commercial area. Staff and the Planning Board do support the rezoning, however there were two objections at the public hearing. Council Member Garza asked what the vote was at the Planning Board, and was told it was unanimous. Council Member Hussain asked what the nature of the opposition was. Ms. Stachowiak stated they

were not in support of more apartments in the area. Council Member Spitzley asked if the applicant owns other apartment complexes in the area, and Ms. Stachowiak stated they do not. Council Member Spitzley then asked how many units they are looking to build, and Ms. Stachowiak stated with the current proposal they will not have many because of the restraints. There is potential to purchase a portion of the cemetery land to expand on. Council Member Spitzley asked about the cemetery property size and how it would impact the cemetery, and Ms. Stachowiak confirmed it was somewhat smaller and there have been discussions with Parks and Recreation who do not have objections to this. If the City did decide to sell to a developer, it would be taken to the electors. Council Member Spitzley asked if they are basing their decision on developing on the pending sale of the park land, because that is not a guarantee. Ms. Stachowiak assured the Committee the applicant will be present at the hearing and can answer that. Council Member Hussain asked if there are complaints on the applicant as a landlord, and Ms. Stachowiak stated she could provide a list that was submitted by the applicant of tenants who supported him as a landlord.

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE RESOLUTION TO INTRODUCE AND SET THE PUBLIC HEARING FOR JANUARY 11, 2021 FOR Z-5-2020; NW CORNER OF E MILLER AND ORCHARD COURT. ROLL CALL VOTE, MOTION CARRIED 4-0.

RESOLUTION – Introduction and Setting of Public Hearing; Z-6-2020 Rezoning 2420, 2432, 242 & 2506 N Grand River Avenue from F Commercial, J Parking, A Residential, D-1 Professional Officer and G-2 Wholesale to H Light Industrial District

Ms. Stachowiak referenced the zoning map in the packet, pointing out the way the land is zoned now, makes it very difficult to develop. The property is industrial to the north and east, and has a RR crossing at the north, therefore staff believes industrial zoning is the appropriate zoning. Ms. Stachowiak confirmed that staff supports the rezoning and there were no objections to the request at the Planning Board. Lastly, she noted the applicant has not provided a plan, but does run a construction company so could expand their facilities.

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE RESOLUTION FOR THE INTRODUCTION AND SETTING OF PUBLIC HEARING FOR Z-6-2020 REZONING FOR JANUARY 11, 2021. ROLL CALL VOTE, MOTION CARRIED 4-0.

Council Member Spitzley asked Ms. Stachowiak to provide copies of the opposition letters she mentioned for Z-5-2020.

RESOLUTION – Introduction and Setting of Public Hearing; SLU-3-2020, 900 Southland Avenue, Suite 910; Special Land Use of Church in F Commercial District

Ms. Stachowiak referenced an earlier approval from Council for a church at the same location, at the other end of the building in 2019. This applicant is off the side street, and staff supports this request because of the location a “destination” spot and this use would be appropriate for that. Council Member Hussain spoke in support of the 2019 church approval, and agreed that corridor is difficult to fill the spaces.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE INTRODUCTION AND SETTING OF PUBLIC HEARING FOR SLU-3-2020 FOR JANUARY 11, 2021. ROLL CALL VOTE, MOTION CARRIED 4-0.

RESOLUTION – Lansing Economic Development Corporation (LEDC) Downtown Lansing Riverfront Project; Lansing Shuffleboard and Social Club, LLC

Mr. Klein went through the project, background of the property, and referenced the presentations in the packet. Regarding the lease agreement, Mr. Klein informed the Committee that it has been changed to 20 years from the original 40 years, adding the rent rate remains the same, and will increase over time with the CPI. Mr. Klein then spoke on the LEDC Project plan, with a loan request of \$65,000 with a short term, and payments over time, not part of the project plan currently or the lease is the option for a future Brownfield Plan. Ms. Hardy shared her screen with a presentation of the Lansing Shuffleboard, project inspiration and the investment of \$3,219,000 for the site. Council Member Garza asked how long they have been in business, and Mr. Hartzell stated Detroit Shipping Company started in 2016, and then Detroit Rising came from that with partnering with Jim Stanza. Council Member Garza asked if they have worked with the local building trades in Detroit. Mr. Hartzell stated he does not have that close experience, but Rick Stanza has. Council Member Spitzley asked if they are subject to the development agreement, which requires them to reach out to local contractors. Mr. Dorshimer stated there is language in the lease. Mr. Hartzell confirmed they have a UDA and plan to submit it. Council Member Garza asked Mr. Stanza what his partnership was and asked him the question of working with organization labor on projects. Mr. Stanza confirmed he is a business partner with Mr. Hartzell, and they own the majority of the business. Regarding union projects in the last 2 years, they have not, but he confirmed the projects he has worked on were prevailing wages, union projects, and provided examples of projects he has worked on. He concluded by stating they have no issues with prevailing wages, and are looking for a local general contractor to assist them with local labor and wages. Council Member Garza stated during public comment that Mr. Dobernick mentioned some concerns and that the conversation had stalled. Mr. Stanza stated he spoke to Mr. Dobernick last week, and one of the first things was speaking to him on the phone and answered questions. He thought the conversation went well. Mr. Hartzell stated there were emails on 11/12/2020 and 11/13/2020 from Mr. Dobernick and being Tuesday they are working on it.

MOTION BY COUNCIL MEMBER GARZA TO TABLE ACTION UNTIL DISCUSSION CAN CONTINUE WITH THE APPLICANT AND LOCAL LABOR.

If the lease could be amended to include local labor, Council Member Spitzley stated, and the applicants have agreed to the local labor component, she would see moving forward from Committee. Council Member Garza stated municipalities have the right to implement prevailing wages, at which Mr. Venker stated the ordinance applies to the property because the property is City owned. Council Member Garza asked again on the term of the lease, and if it was recapped for the Committee that it was reduced from 40 years to 20 years. Mr. Venker stated the lease as written does say 40 years, but once the applicant signs the changed document it will be brought to Council. Council Member Hussain asked about the reallocation amount based on 40 year lease and asked if it was still part of this, and Mr. Venker confirmed. Council Member Hussain asked about the funds in the revolving fund, and Mr. Klein stated there is approximately \$1.5 million and it is a revolving fund that will be replenished and recaptured. Council Member Hussain asked for a list of the projects that were supported by the revolving fund. Council Member Garza asked if the property already had a brownfield plan when the City market was developed and can they use another brownfield. Mr. Klein confirmed and said it would be within that original brownfield plan. Mr. Dorshimer responded to the questions on the revolving fund, noting there are funds in and out, and there should be sufficient funds and has to be used on eligible projects. Council Member Spitzley referenced the earlier comment by Mr. Venker that the Committee does not have the current lease in front of them and was opposed to take action on the next agenda item without have the current lease. She then asked the term of the

Brownfield, and Mr. Klein stated the repayment is 2-3 years of tax capture. Council Member Spitzley asked Mr. Venker to speak to the request on action for an incorrect lease. Mr. Venker stated it is not incorrect, and the parties did agree to make a change from 40 years to 20 years, and his opinion would be a short amendment, adding that the document can be signed by the Mayor then presented to Council. Council Member Spitzley recapped for the record that the Council is being asked to approve a lease of 40 years, and then the Mayor would sign an amendment for 20 years. Mr. Venker concluded that 20 years would be a benefit and not something that would require the lease to sit on file. Council Member Spitzley spoke in opposition to a request for action on the lease with a significant change in the document. Mr. Venker stated that there was a determination made that the change is a benefit to the City and the amendment would be signed by the applicant and the Mayor. To address the issues and the two actions, Council Member Spitzley noted that however OCA sees fit to address would be appropriate. Mr. Stanza asked if there are other documents they will need for their general contractors. Council Member Spitzley asked that the lease accurately reflects the terms of the lease and any other language that needs to be addressed based on this meeting. Council Member Spitzley noted that the City created a Universal Developer Agreement so that these items can be addressed. Currently it would not be in line with Council concerns if the UDA is not in place before action is taken place. Council Member Hussain stated that what triggers the UDA is economic incentives, and that being said Council can request the UDA be signed. He then spoke briefly on not having the correct lease agreement, no true commitment on the UDA, so moving forward he wanted to support the document before sending to Council. Mr. Hartzell stated they are comfortable with the UDA, but is nervous that a meeting with Mr. Dobernick is not a requirement and a third party, but is confused why Council would delay on a third party that is not a requirement. He assured the Committee they will work within the ordinance and the UDA, and they understand local labor is important. Council Member Spitzley stated to the applicant that her concern is that currently the Committee is being asked to act on a lease that is being changed but that document is not what is front of the Committee, and a second concern is that the UDA is not signed, not knowing when it was actually sent to the applicant. Council Member Betz agreed that the local labor portion is important, and asked OCA if the UDA can get signed before passage, along with the amendment changing from 40-20 years, and looked to move to Council contingent on those documents. Mr. Venker clarified that this is a lease document, and initially had a conversation on if this would be subject to the UDA, and the OCA determined it was not because the funds will be used to improve property they City still owns. Also, much of the UDA contemplates the number of jobs, investment and in this case that is what the lease calls for.

ROLL CALL VOTE, MOTION CARRIED 3-1.

RESOLUTION – Lease Agreement; Lansing Shuffleboard and Social Club, LLC; 325 RIVERFRONT

Mr. Klein provided details on the lease agreement during the previous agenda item overview.

MOTION TO TABLE BY COUNCIL MEMBER GARZA UNTIL NOVEMBER 24, 2020. ROLL CALL VOTE, MOTION CARRIED 3-1.

RESOLUTION – Introduction & Set Public Hearing; Payment in Lieu of Taxes (PILOT) Walter French- Capital Area Housing Partnership

Mr. Van Fossen outlined the property and historical preservation with the 76 units, referencing the presentation in the packet. Ms. Droste went through the PILOT request acknowledging they originally looked at a 10%, but because of the cost increases, the financing does not work as it would have 2 years ago, so they are now in front of the City looking for a 6% PILOT for 10

years, specifically on the residential piece. The 76 units will be affordable housing with supportive services; 30,000 sq ft of commercial, officer and community space; parking and an acre south of the parking lot with power co-generation partnership with LBWL. Other notes in the presentation highlighted financing for the renovation from HOME, CDBG, LHC, LIHTC and Historic Tax Credits. Lastly, the figures broken down for the project noted an obtained mortgage of \$441,789 with the difference in cost savings between at 10% PILOT and a 6% PILOT. The Capital Area Housing Partnership has committed \$1,324,908.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION TO INTRODUCE AND SET THE PUBLIC HEARING FOR DECEMBER 14, 2020 FOR THE PILOT FOR WALTER FRENCH. ROLL CALL VOTE, MOTION CARRIED 4-0.

Adjourn

Adjourned at 4:58 p.m.

Submitted by, Sherrie Boak, Recording Secretary,
Lansing City Council

Approved by the Committee November 24, 2020