MINUTES
Committee of the Whole
Monday, November 5, 2018 @ 5:30 p.m.
City Council Chambers, City Hall 10th Floor

CALL TO ORDER
Council President Wood called the meeting to order at 5:30 p.m.

PRESENT
Councilmember Kathie Dunbar- arrived at 5:36 p.m.
Councilmember Jeremy A. Garza
Councilmember Adam Hussain
Council Member Brian T. Jackson
Councilmember Peter Spadafore
Councilmember Patricia Spitzley
Councilmember Jody Washington
Councilmember Carol Wood

OTHERS PRESENT
Sherrie Boak, Council Staff
Samantha Harkins, Mayors Executive Assistant
Jim Smiertka, City Attorney
Lisa Hagen, Assistant City Attorney
Doug Fleming, Lansing Housing Commission Interim Director
Brett Kaschinske, Parks and Recreation Director
Joseph Dickson, Over the Ledge Theatre Company
Chad Swan
Oscar Castaneda, Capital Area Soccer League (CASL)
Elaine Womboldt
Kathy Miles

Minutes
MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE MINUTES FROM OCTOBER 22, 2018 AS PRESENTED. MOTION CARRIED 7-0.

Public Comment on Agenda Items
Mr. Dickson spoke in support of Peppermint Creek Theatre Company obtaining the purchase of 6025 Curry Road and asked Council to help them find a location if they do not purchase it.

Supporter of Peppermint Creek Theatre Company stated he was told the “deal was already done” and asked for time to complete their published season at the theatre. He also wanted the Committee to know that the local theaters share items, services, etc. and with this location ending, in his opinion it will impact the theatre community. Council President Wood clarified no decision was made yet by Council, and the statement of “deal was already done” might have been a misunderstanding from something coming out of the Mayor’s Office.

Resident and participant with the Capita Area Soccer League (CASL) spoke in support of the programs put on by CASL.

Ms. Womboldt spoke on concerns with housing and in her opinion the lack of follow up.

Presentation

Introduction & Update from Interim Lansing Housing Commission (LHC) Director Doug Fleming

Mr. Fleming briefly went through his resume’ that the Council had, and spoke on the tasks he has begun at the LHC. This included inspections, tracking of resident work orders, and entering the LHC into the HUD process. He acknowledged the City inspections have been performed and broken down into the trades, and they have attacked each issue by using local contractors and their own internal maintenance staff. They continue to speak weekly with the City. Mr. Fleming then outlined the sites:

- 3200 S. Washington: the common doors are on back ordered
- LaRoy Froh: inspections and re-inspections are done and the fire unit is still in litigation.
- Mt. Vernon: half complete with the re-inspections done as the work is done, with the plan to have all work done by November 23.
- Hildebrant: will be complete by the end of the week of November 5, and ready for re-inspection. They will being on the two properties; 52 units; managed by Hildebrant staff.

Regarding the work orders, they have established a standard of completion on each order of 60 days, and any health and safety concerns in 24 hours. In an effort to have people report, they have instituted a 6 month inspection that will be done by LHC staff. Mr. Fleming then provided statistics on the property work orders noting:

- 3200 S. Washington down from 200 to 73
- LaRoy Froy down from 300 to 237
- Mt Vernon down from 135 work orders to 58
- Hildebrant down from 333 work orders to 196

Mr. Fleming then outlined the capital improvement projects which included site lighting at 3200 S. Washington along with tree removal; a new elevator at 3200 S. Washington, along with new security cameras at that location and LaRoy Froh. They continue to work with BWL and Consumers on energy efficient items. They have created spaces for the LPD Community Policing Officer at locations, and will complete kitchen and roof work on properties in FY 2019, creating an $800,000 investments.

Lastly, Mr. Fleming informed the Committee of a recent RFP for a HUD project, which is a 4-6 process on a plan to be competitive for tax credits and this RFP will find a partner consultant to work with LHC.

Council Member Washington referenced a situation at Hildebrant where she was told the tenants were informed they could not have AC, and could not gather in the shade of the trees. Mr. Fleming stated they will look again at the AC option next summer, and the RAD process will address the central air which is to bring it up to date. He also confirmed that the HUD inspections are different then the City inspections, and they will continue with both.

Council Member Spitzley asked if the concerns with the LHC and inspection fees has been addressed. Mr. Fleming noted it is not unusual for the City to do inspections, and it is part of the City ordinance and they will follow that. He continued that his hope would be that at some point, if the LHC and City partnership continues, they could work out an arrangement between HUD and an abbreviated City inspection and that will be sufficient to all inspections. Council Member Hussain asked if the 6 month inspection program will extend to all LHC properties and was told it would. Mr. Fleming then spoke about the vacant maintenance positions with the LHC and assured the Committee they are continuing to interview and are discussing reorganization of the maintenance team. Their long term plan is to have a regional supervisor who has maintenance experience and work with maintenance staff to address issues. Currently, he assured them, the LHC staff is a wonderful support and are supportive of the concept.

Council President Wood pointed out to Mr. Fleming that the community policing position at 3200 S. Washington was up on its rotation, and asked if there was a new officer assigned yet. She also asked if the improvements mentioned earlier, coming in at $800,000 were part of their capital improvement dollars noted in their audit. Mr. Fleming stated that they get operating subsidy in addition to a capital budget, and in 2017 their capital budget was just under $200,000 unspent, and in the 2018 capital budget there are additional funds. The funds are allocated based on some items, but with HUD there is flexibility to substitute if they see items that need to be addressed. Mr. Fleming noted he is currently working on obtaining an intern to create a document that tells what properties are owned, the age and how old the capital items are. This would help towards an overall comprehensive needs analysis. Mr. Fleming acknowledged that Officer Arnold is already training the new officer for 3200 S. Washington and they will have additional security with the new cameras.

Council President Wood asked about the resident board training, and Mr. Fleming confirmed he has begun the discussions and will be taking them to training and working on the standards they will be held responsible for moving forward.

Council Member Hussain stepped away from the meeting at 6:16 p.m.

DISCUSSION/ACTION

RESOLUTION – Set the Public Hearing; Sale of City Property located at 6025 Curry Lane (Miller Road Center)

Mr. Kaschinske provided the location of the property, noted it is a 6,000 square foot structure, confirmed most of the programs that were held there were transferred to Alfreda Schmidt, and the LFD requests the current tornado siren located there remain.

Council Member Hussain returned to the meeting at 6:18 p.m.,

Mr. Kaschinske continued by assuring the Committee that the approved purchaser is aware of the siren and does not have an issue with staying on the building. He added that there was an appraisal done in 2016 at $155,000. They did not put to bid until July 2018 with bids due 2 months later on 9/27/2018. There were three (3) bids submitted; Peppermint Creek Theatre Company for $5,000 and the CASL at $35,000 and a second option offer from CASL of $25,000 down and $10,000 a year for 10 years. The last offer is the resolution approved for recommendation to Council, with intention of placing the property back on the tax rolls. The agreement has been placed on file in the Clerk’s office November 1, 2018 and will be ready for the public hearing 30 days later.

Mr. Costenada spoke on activities in the community CASL has been involved.

Mr. Kaschinske outlined the agreement page by page with the Committee, which included the method of payment, land contract plan, and tax status. Council Member Spadafore pointed out that CASL is a non-profit so they will be tax exempt also. Mr. Smiertka clarified that a 501c3 is not exempt automatically from taxes; they will have to go through a process.

Mr. Kaschinske continued with the review of the agreement which outlined expenses, a pending closing date, and confirmed that Peppermint Creek will have 120 days per their contract to execute the option to leave. Council President Wood asked if there were any deed restrictions on the property, at which Mr. Kaschinske confirmed there was not and they would not be placing any. Council President Wood inquired into if they proposed any restriction that if CASL sold, since they are a non-profit, if they chose to sell they can only sell to a non-profit.

Council President Wood asked Mr. Smiertka if the Peppermint Creek supporting letter from the South Lansing Community Development Association (SLCDA) signed by Council Member Dunbar raises the potential of conflict. Council Member Spitzley asked if Council Member Dunbar could recuse herself instead of a call for conflict. Mr. Smiertka stated that per the Charter, if it is questioned by another Council Member it must called for a vote.

Council Member Dunbar stated she was going to asked to be recused, and the only reason she wrote the letter was that Peppermint Creek asked her for the letter when they submitted the bid.

MOTION BY COUNCIL MEMBER WASHINGTON TO VOTE ON A OF CONFLICT OF INTEREST ISSUE WITH COUNCIL MEMBER DUNBAR PER A LETTER OF SUPPORT WITH THE BID FROM PEPPERMINT CREEK THEATRE COMPANY.

Council Member Spadafore asked legal for opinion on what is a “legal conflict”. Mr. Smiertka stated a Council Member writing a letter of support on behalf of an organization taking a position against what is being proposed. Council Member Jackson questioned the conflict since it was on SLCDA letterhead. Council Member Dunbar explained that a conflict is normally when there is a financial gain; similar to the budget; but she has no financial gain in this case. She was asked for the letter on behalf of the non-profit, therefore asking to be recused. Mr. Smiertka acknowledged there was no financial interest but the Charter says “conflict”.

Council Member Washington clarified for the Committee that her vote was not stating there was any accusation that Council Member Dunbar did anything wrong, but this was a matter of process.

MOTION CARRIED 5-2.

MOTION BY COUNCIL MEMBER DUNBAR TO RECUSE HERSELF FROM THE VOTE. MOTION TO RECUSE 6-1.

The Committee discussed the time line for the theatre schedule and Mr. Kaschinske confirmed they have been working with the theatre company and will meet again on November 7th. They have not given the 120 day notice at this time, and CASL is willing to work with them. Council Member Spadafore asked if a long term contract like this has been in the past, and Mr. Kaschinske stated one was done with Grandwoods in Delta Township. He was then asked about who would be responsible for maintenance and liability. Ms. Hagen stated it was a traditional land contract and that all maintenance and control of the building will be CASL, who will hold the deed.

Council Member Spadafore stepped away from the meeting at 6:40 p.m.

Council Member Spitzley referred back to the public comments which were stated “the Council does not care”, but she pointed out the RFP process was followed and the theatre was not the winning bid, therefore it is not the City’s responsibility to help them find a new location.

Council Member Spadafore returned to the meeting at 6:42 p.m.

Council President Wood spoke in support of offering an option for the theatre to use Alfreda Schmidt.

Mr. Smiertka confirmed Council Member Dunbar could be involved in the discussion, just not in the vote.

Council Member Dunbar asked if any of the theatre events can be announced in the Parks and Recreation guide. Mr. Kaschinske stated that whenever they have partnered with an organization where they rented the City facilities they were published when there was a shared revenue back to the City.

Council President Wood stated the hearing would be on the Council agenda on November 19th for action setting of the hearing and the hearing on December 10, 2018.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR DECEMBER 10, 2018. MOTION CARRIED 8-0.

Other:

Closed Session at 6:50 p.m.

MOTION BY COUNCIL MEMBER WASHINGTON TO GO INTO CLOSED SESSION TO CONSIDER THE PURCHASE OR LEASE OF REAL PROPERTY UP TO THE TIME AN OPTION TO PURCHASE OR LEASE THAT REAL PROPERTY IS OBTAINED. ROLL CALL VOTE 8-0.

Reconvene at 7:17 p.m.

ADJOURN

The meeting was adjourned at 7:18 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council
Approved by the Committee on November 19, 2018