



MINUTES

**Committee on Development and Planning
Thursday, October 13, 2016 @ 10:00 a.m.
10th Floor Conference Room, City Hall**

CALL TO ORDER

The meeting was called to order at 10:09 a.m.

ROLL CALL

Council Member Jody Washington, Chair
Council Member Jessica Yorko, Vice Chair
Councilmember Judi Brown Clarke, Member

OTHERS PRESENT

Sherrie Boak, Council Staff
Mark Dotson, City Attorney
Karl Dorshimer, LEAP
Eric Lacy, LSJ
Tiffany Dowling
Patrick Dowling
Elaine Womboldt
Leo Trumble
Nichole Pope

PUBLIC COMMENT

Public comment would be taken during each agenda item.

MINUTES

MOTION BY COUNCIL MEMBER YORKO TO APPROVE THE MINUTES FROM SEPTEMBER 22, 2016 AS PRESENTED. MOTION CARRIED 3-0.

RESOLUTION – Set a Public Hearing; Lease Agreement; City of Lansing & Zip the Grand, Inc.

Mr. Dotson stated that the City Attorney office is still working on the waiver release agreement and waiting on information from the applicant's attorney response.

MOTION BY COUNCIL MEMBER YORKO TO SET THE PUBLIC HEARING FOR NOVEMBER 14, 2016 FOR THE ZIP THE GRAND INC. LEASE. MOTION CARRIED 3-0.

Ms. Womboldt stated her concerns with the business and her opposition to a private company using public parks for their revenue. Ms. Womboldt pointed out her additional concerns that the City would only receive 2.5% on gross gate admission and special events are excluded from that revenue. Council Member Washington asked Ms. Womboldt to submit her questions in writing to the Council staff.

RESOLUTION – Set a Public Hearing; OPRA District; 1141 South Washington Avenue & 1149 South Washington Avenue; L & P Properties, Inc.

RESOLUTION – Set a Public Hearing; OPRA Certificate; 1141 South Washington Avenue; L & P Properties, Inc.

RESOLUTION – Set a Public Hearing; OPRA Certificate; 1149 South Washington Avenue; L & P Properties, Inc.

Council Member Washington acknowledged Mr. Pope for his proposal, but asked that in the future that he reach out to the Council members before he launches his plan in the media. This allows them information to answer any questions they might have and support.

Mr. Dorshimer clarified that the request was for one district and two certificates because of the taxing agencies they have to apply for two certificates even though they are adjoining properties.

Mr. Pope distributed materials including marketing flyers, photos, floor plans and information from the City Assessor on their statement of obsolescence. The property was purchased initially to move his existing business into, however after the purchase and designing for that they determined it was not sufficient, so they determined to keep it and renovate it for tenant space and 2nd floor residential. The building at 1149 Washington will have a coffee shop on the first floor and they are marketing the top floor. 1141 Washington is being pursued for upstairs residential, potentially 3-4 apartments. The lower level will continue food concept. This building has been vacant for years so will need to be completely renovated to comply with code. Negotiations continue on this property in the search of an anchor tenant for the first floor. Mr. Pope admitted that his company, Washington Avenue Advisors, has worked with developers before, but this would their first commercial project. Mr. Trumble was introduced as the commercial contractor.

Council Member Brown Clarke asked if the apartments would be market rate, studio, or apartments. Mr. Pope confirmed their architectural drawings are not done, but they hope for 3 apartments at 700 square feet with a common entry, similar to other residential apartments in Reo Town. They do plan on market rate rent, and there is parking behind 1141 Washington and 1147 Washington with an alley and a vacant lot that abuts to the south street lot. Mr. Pope did agree that in the long term there is a lack of parking in the Reo Town area. Renderings of their plans for the 1149 Washington were distributed, but there has been no renderings done for 1141 at this time.

The Committee and applicant briefly discussed the consideration for economic developer liquor licenses. Mr. Dorshimer stated that currently those are not available in Reo Town, but if the PSD District is extended they could be considered.

Mr. Pope presented the timeline on the project, acknowledging that they were holding off on anything with 1149 Washington until Council approval, and they hoped to finalize 1141 Washington by the end of the month with an anchor tenant. Once construction begins they hope to conclude in 2017. Mr. Pope also supported the request for a 10 year OPRA for his project.

Council Member Washington referenced the Holmes Street School and how those improvements never occurred. Mr. Dorshimer confirmed that those improvements did not increase the value, so that OPRA they got was no benefit to the City or them. The OPRA is based on rewarding them for increasing the taxable value. School taxes are not abated at all.

Mr. Dorshimer outlined the details of the OPRA with 1149 S Washington Total taxes paid by the developer at \$57,476; total taxes abated \$24,611; total Lansing taxes collected \$12,300 and total Lansing taxes abated \$10,137; regional taxes collected without the project would be \$30,917 but with the project are \$57,476 which results in an increase of \$26,559. The City taxes collected without the project would be \$8,451 but with the project would be at \$12,300 showing an increase of \$3,849. In year 7 will just up to the full amount. Council Member Washington asked if they were going to seek any other incentives. Mr. Pope stated the project is self-sufficient, so 1149 will have private funding. Mr. Trumble added that they have had discussions with MSHDA for funding on 1141 Washington. With a startup business they are looking for any incentives to help and pass those along. They are also pursuing MEDC assistance for this site also.

Mr. Pope confirmed they are asking for 10 years on the OPRA for 1141 Washington based on recommendations from LEAP. Total taxes paid at \$97,390; total taxes abated \$72,438; total Lansing taxes collected \$16,582 and total Lansing taxes abated \$29,837; regional taxes collected without the project would be \$60,667 but with the project are \$97,390 which results in an increase of \$36,723. The City taxes collected without the project would be \$16,582 but with the project would be at \$16,582 showing no increase. The real property taxes abated would be \$72,438 and the City's portion of the real property taxes abated would be 29,837.

MOTION BY COUNCIL MEMBER YORKO TO SET THE PUBLIC HEARING FOR THE OPRA DISTRICT FOR 1141 SOUTH WASHINGTON AND 1149 SOUTH WASHINGTON FOR NOVEMBER 14, 2016.

Mr. Dorshimer inquired on the option for approval the same night as the hearing. Council Member Yorko had no opposition to the request. Council Member Brown Clarke stated that the Committee needs to be consistent with all requests. Council Member Washington stated she would move forward with that request if there was a consensus of this Committee, however she also wanted her other colleagues to have the same opportunity to review the request, and they would be seeing it for the first time the night of the hearing. She also noted that the late requests and requests for immediate action by-passing the process have become habits and need to cease. Council Member Yorko agreed. Mr. Trumble stated that if there was not passage the night of the hearing there could be an impact on their potential tenants for 1141, however he would respect whatever decision the Committee made.

MOTION CARRIED 3-0.

MOTION BY COUNCIL MEMBER YORKO TO SET THE PUBLIC HEARING FOR THE OPRA CERTIFICATE FOR 1141 SOUTH WASHINGTON FOR NOVEMBER 14, 2016. MOTION CARRIED 3-0.

MOTION BY COUNCIL MEMBER YORKO TO SET THE PUBLIC HEARING FOR THE OPRA CERTIFICATE FOR 1149 SOUTH WASHINGTON FOR NOVEMBER 14, 2016. MOTION CARRIED 3-0.

RESOLUTION – Set a Public Hearing; OPRA District; 221 West Saginaw Street; Motion Properties

RESOLUTION – Set a Public Hearing; OPRA Certificate; 221 West Saginaw Street; Motion Properties

Ms. Dowling outlined her proposed renovation project for the former church location at Seymour and Saginaw. The building was previously used for a law firm, and her company purchased it in the summer of 2016. Ms. Dowling distributed renderings outlining their proposed renovations, which will be in done in phases with the internal work over the winter, and the façade in sprint 2017. This renovation will increase their staffing to 50 employees. Currently Ms. Dowling owns the neighboring properties and has no plans to sell the current buildings, but will plan to lease them out and further invest in her property at 618.

Council Member Brown Clarke asked if the OPRA was being requested to address code compliance issues or if it was for something else. Ms. Dowling affirmed the entire interior needs to be addressed and brought into compliance with new mechanicals. Due to the extent of the work, Ms. Dowling is asking for a 12 year OPRA. Council Member Washington acknowledged the applicants commitment and investment to the City and would support a 12 year OPRA.

Mr. Dorshimer updated the Committee with the numbers on the OPRA for Motion Properties; Total taxes paid by the developer at \$270,143; total taxes abated \$100,083; total Lansing taxes collected \$59,970 and total Lansing taxes abated \$41,224; regional taxes collected without the project would be \$157,892 but with the project are \$270,143 which results in an increase of \$112,251. The City taxes collected without the project would be \$43,157 but with the project would be at \$59,970 showing an increase of \$16,814. It was noted that those numbers do not take into account the addition funds that will be collected in income tax.

Mr. Dowling stated they would be fine with the time line presented earlier in the meeting with the other application, that being the hearing on November 14th, and then back to Committee on November 23rd and then Council approval on November 28th.

MOTION BY COUNCIL MEMBER BROWN CLARKE TO SET THE PUBLIC HEARING FOR THE OPRA DISTRICT FOR 221 WEST SAGINAW STREET FOR NOVEMBER 14, 2016.
MOTION CARRIED 3-0.

MOTION BY COUNCIL MEMBER BROWN CLARKE TO SET THE PUBLIC HEARING FOR THE OPRA CERTIFICATE FOR 221 WEST SAGINAW STREET FOR NOVEMBER 14, 2016.
MOTION CARRIED 3-0.

Adjourn at 11:12 a.m.

Submitted by,

Sherrie Boak, Recording Secretary,

Lansing City Council

Approved by the Committee on October 27, 2016