



MINUTES

**Committee on Development and Planning
Tuesday, December 20, 2016 @ 10:00 a.m.
Council Conference Room, City Hall 10th Floor**

CALL TO ORDER

Called to order at 10:00 a.m.

PRESENT

Council Member Washington, Chair
Council Member Yorko, Vice-Chair – left at 11:04 a.m.
Council Member Brown Clarke, Member- arrived at 10:05 a.m.

OTHERS PRESENT

Sherrie Boak, Council Staff
Jim Smiertka, City Attorney- arrived at 10:05 a.m.
Heather Sumner, Assistant City Attorney
Karl Dorschimer, LEAP
Council Member Wood- left at 10:13 a.m. returned at 11:05 a.m.
Klein Allison, Assistant City Attorney
Kathy Miles
Jackson Gross
Mark Mello
Chris Harkins
Jonathon Baniff
Jared Cypher, Ingham County
Will Matthews, Hosmer Storage LP
Eric Pratt, LEAP
JP Buckingham, Tri-Terra
Jason Kiren, Gillespie Group
Steve Japinga, Lansing Regional Chamber of Commerce
Sue Stachowiak
Council Member Dunbar – arrived at 10:11 a.m. left at 10:13 a.m. returned at 11:05 a.m.

MINUTES

MOTION BY COUNCIL MEMBER YORKO TO APPROVE THE MINUTES FROM DECEMBER 8, 2016 AS PRESENTED. MOTION CARRIED 2-0.

Council Member Washington passed the gavel to Council Member Yorko.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE MINUTES FROM DECEMBER 12, 2016 AS PRESENTED. MOTION CARRIED 2-0.

Council Member Yorko passed the gavel back to Council Member Washington.

PUBLIC COMMENT

Public Comment will be taken during each agenda item.

Council Member Washington tabled agenda item D) ACT-11-2016 per the request from the Planning and Neighborhood Development Office for Law to do a further review.

DISCUSSION/ACTION

ORDINANCE – Z-7-2016; Rezoning from “F” & “DM-2” to “E-1”; Dunkel & Collins Road

Ms. Stachowiak outlined the project and the request for the rezoning to take from previously residential student housing to residential and commercial. The applicant is a new owner and staff recommends approval.

Council Member Washington asked Ms. Stachowiak if there was no proposed use, why the request was before them. Ms. Stachowiak explained that they are getting proper zoning in place to get use there.

Council Member Wood asked Ms. Stachowiak to confirmed their taxes were paid.

MOTION BY COUNCIL MEMBER YORKO TO APPROVE THE ORDINANCE Z-7-2016 FOR REZONING FROM F & DM-2 TO E-1 FOR THE PROPERTY AT DUNKEL AND COLLINS. MOTION CARRIED 3-0.

RESOLUTION – Set a Public Hearing; OPRA District ; 500 S. Hosmer Street

Council Member Washington stated that the request was to set a public hearing for the OPRA, which would be done on January 9, 2017 with the hearing on January 30, 2017.

Mr. Pratt with LEAP presented on the project which would be an indoor storage facility with the purpose to provide 678 climate control sub storage units. The site is the former Liquor Control Commission warehouse built in 1943. It was sold in 2003 to Eyde however went underutilized, and recently bought by Hosmer who propose to rehab it with structure improvements, façade, and public improvements including landscape and streetscape. The total investment will be \$2,998,612 with the increase in taxes after the project to \$257,303 for the 12 year OPRA. The applicant will be responsible for paying the 12 year OPRA on the school taxes on the complete project. Mr. Pratt distributed a spreadsheet of the financial breakdown to the Committee.

Mr. Hosmer presented photos of the current building and also renderings of the proposed finished project. He noted that currently it does not meet fire code or fire or building safety, so that will need to be addressed with sprinklers, new electrical, access ramps and installation of an elevator. There are plans for front façade structural repair also, however they plan to be open within 6 months after starting on the project.

Council Member Dunbar arrived. Council Member Washington stated that Council Member Wood and Dunbar could stay however they could not comment. Mr. Smiertka corrected the directive stating there would be a quorum, therefore both would have to leave.

Council Member Dunbar and Council Member Wood left the meeting at 10:13 a.m.

Mr. Hosmer continued his presentation noting that part of the scope of work is remediation and addressing some environmental issues and they hope to also do a Brownfield, but currently are sticking with only the OPRA and taking on the risk of contamination that was left. The project will bring in jobs ranging from \$16-\$20/hour, once the OPRA expires taxes will jump up to \$157,000 for real and personal property taxes.

Council Member Washington asked Mr. Hosmer why he was asking for 12 years. Mr. Buckingham answered that after 12 years the value of the OPRA will be at \$200,000, but adding up all the expenses it will be well over \$200,000, and the total benefit to all taxing jurisdictions will be well over.

Council Member Washington asked where Hosmer was located. Mr. Hosmer stated that he is an American citizen, and the company is a US enterprise based in Delaware. He did admit that due to some family reasons, he personally has moved back to Canada recently.

The Committee and applicant reviewed the renderings showing 80,000 sq. ft. and the potential for 3 levels of storage that will be designed based on demand.

Council Member Yorko stepped away from the meeting at 10:20 a.m.

It was noted the elevator will be large capacity similar to a hospital elevator and industrial. The company will have 2-3 full time employees at the rate mentioned earlier, those including a property manager, and building maintenance employees.

Council Member Yorko returned to the meeting at 10:21 a.m.

Mr. Hosmer noted that some of their clients are businesses who work out of their home but do not have storage therefore use the units for product and tools. They will not be running their business out of the units. The number of units was determined on a study which revealed the customer base at 85% residential and 15% small business. When they looked at a market for storage, they looked at the demographics on density and any other storage in a 3-5 mile radius.

This study was done by a third party group for feasibility. Lastly Mr. Hosmer clarified that the units will be about \$6-\$7 a foot, and will be constructed of corrugated steel, beginning with one floor of units at a time.

MOTION BY COUNCIL MEMBER YORKO TO SET THE PUBLIC HEARING FOR THE OPRA DISTRICT FOR 500 S HOSMER FOR JANUARY 30, 2017. MOTION CARRIED 3-0.

RESOLUTION – Set a Public Hearing; OPRA Certificate; 500 S Hosmer Street

MOTION BY COUNCIL MEMBER BROWN CLARKE TO SET THE PUBLIC HEARING FOR THE OPRA CERTIFICATE FOR 500 S. HOSMER FOR JANUARY 30, 2017. MOTION CARRIED 3-0.

RESOLUTION – ACT-11-2016; 637 E. Michigan Avenue; Vacate North East Street Easements

Council Member Washington tabled the request for further review by law. Mr. Smiertka confirmed his office has requested the title work on the property.

DISCUSSION – Ordinance- Transparency in the Bidding Process

The Committee was presented with the December 20, 2016 version of the proposed Ordinance. Council Member Washington pointed out that this recent version was based on comments from the last Committee of the Whole and Development & Planning joint Meeting, and she had incorporated most of the language that was suggested. One item that she confirmed she did not include was the clause that stated “it would only go in effect if all surrounding areas take effect” because that was only heard from one Council Member as a concern. In addition the concern with public bid opening was only mentioned by one Council Member that was left in. Changes in the ordinance also included the removal of requiring 3 bids, and the addition to page 5 line 14- 17 “This ordinance shall not apply to projects with a private investment under \$750,000 or for bid packages projected to be under \$25,000. This ordinance shall also not apply to industrial projects.” The question then was raised as if it does not apply to industrial, that medical marihuana dispensary would not have to abide if they were in industrial zoned. Mr. Smiertka stated it would depend if they applied for incentives. Currently the way the ordinance is written now, this will only apply to commercial and multi-family.

The Committee discussed the provisions and exemptions for grow facilities, greenhouses, and dispensaries. Council Member Brown Clarke noted that to be consistent they cannot look at medical marihuana any different than any other business in an industrial use. Council Member Yorko asked law if Council had the legal authority to say which type of industrial use is or is not exempt. Mr. Smiertka stated that as far as exemption, it would be whether it would be in the statue for that tax incentive. Currently the way it is written, it only applies for 4 tax incentives, and some are industrial. This only pertains to commercial and residential such as PILOT’s, OPRA, Brownfields and 328.

Council Member Washington asked Mr. Smiertka for a legal opinion on what the liability is if the City exempts grow facilities. Mr. Smiertka stated he did not see an exemption from the ordinance if they fit every other criteria the City has in place for them in the other ordinances. The way it is written right now, the ordinance does not apply to industrial, and the grow base would not be subject to this ordinance.

Council Member Yorko asked if the purpose of this ordinance was to discourage economic incentives, and Council Member Washington stated it was not the purpose.

Mr. Cypher, Ingham County Deputy Controller introduced himself as an observer to the discussion to report back to the County. Council Staff provided Mr. Cypher with a copy of the ordinance.

Council Member Yorko asked what had changed in the ordinance, and Council Member Washington confirmed she had used some of Council Member Dunbar’s suggested language, and the investigation portion was not new, but the wording now mirror’s the language from the recently adopted Ordinance on Human Rights. There was a comment made earlier that the complaint should go to LEAP first, however LEAP is in contract with the City, so if the City does not renew the contract with LEAP in the future there could be issues.

Council Member Yorko asked Mr. Smiertka if the proposed language in the ordinance was from Law, and Council Member Washington pointed out the language was the same language from the Ordinance on Human Rights and approved by law. Mr. Smiertka confirmed.

Council Member Yorko read and submitted her questions for the record. (now part of the meeting packet) These questions included inquiries into who was going to “monitor” the ordinance, how

“public disclosure” is defined, questioning the point of notifying the bidder that were not selected, who would determine if the method used for bids was “customary in the relevant trade”, and questioned some duplication in the document. Council Member Washington clarified answers to some of the questions, highlighting that no one will monitor the opening, but if it is not opened properly, then they have the option to file a complaint with the City Attorney, other items in Council Member Yorko’s questions were cleaned up in the Draft dated December 20, 2016 in front of the Committee.

Council Member Washington did confirm that she had used most of the suggested language changes by Council Member Dunbar dated December 7, 2016 however she did not put in the “we-too clause” which was suggested to encourage the surrounding municipalities to participate also.

Council Member Yorko left the meeting at 11:04 a.m.

Council Member Washington asked Mr. Smiertka if another public hearing would be necessary, and Mr. Smiertka confirmed there had been enough changes from the last hearing that there should be another public hearing.

Council Member Brown Clarke noted that there should be a default to monitor the process, and if LEAP is doing the Development Agreements, and they monitor it, would there also be a default language that doesn’t specifically state LEAP to provide someone the opportunity to protest. Council Member Washington stated that is incumbent upon LEAP, the burden of proof is on the complainant to prove, it is not the Council’s job to prove the case. Council Member Brown Clarke acknowledged that process, however questioned how to make the process easier and have a policy friendly procedure. Mr. Smiertka noted that the way the Ordinance is written there has to be a case presented to the City Attorney office.

MOTION BY COUNCIL MEMBER BROWN CLARKE TO INTRODUCE AND SET THE PUBLIC HEARING FOR THE ORDINANCE ON TRANSPARENCY IN BIDDING AND OPENING OF BIDS ON JANUARY 9, 2017 FOR JANUARY 30, 2017.

Council Member Brown Clarke also asked Mr. Cypher to take back to the County the discussion he heard today, and encouraged them to continue their conversations with the hope of having whatever is in place for the ordinance mirrored in other municipalities.

MOTION CARRIED 2-0.

Adjourn at 11:12 a.m.

Submitted by, Sherrie Boak, Recording Secretary,
Lansing City Council
Approved by the Committee on February 6, 2017